



General Assembly

January Session, 2007

Amendment

LCO No. 8178

HB0709808178HDO

Offered by:

REP. FONTANA, 87th Dist.
REP. NARDELLO, 89th Dist.
REP. ABERCROMBIE, 83rd Dist.
REP. ALDARONDO, 75th Dist.
REP. ARESIMOWICZ, 30th Dist.
REP. AYALA, 128th Dist.
REP. BARTLETT, 2nd Dist.
REP. BOUKUS, 22nd Dist.
REP. BUTLER, 72nd Dist.
REP. CANDELARIA, 95th Dist.
REP. CARUSO, 126th Dist.
REP. CHRISTIANO, 134th Dist.
REP. FAWCETT, 133rd Dist.
REP. FLEISCHMANN, 18th Dist.
REP. GENGA, 10th Dist.
REP. GERAGOSIAN, 25th Dist.
REP. GONZALEZ, 3rd Dist.
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REP. HEWETT, 39th Dist.
REP. HURLBURT, 53rd Dist.
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REP. MCCLUSKEY, 20th Dist.
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REP. MORRIS, 140th Dist.
REP. MUSHINSKY, 85th Dist.
REP. NAFIS, 27th Dist.
REP. O'BRIEN, 24th Dist.
REP. OLSON, 46th Dist.
REP. ORANGE, 48th Dist.
REP. O'ROURKE, 32nd Dist.
REP. REYNOLDS, 42nd Dist.
REP. RITTER, 38th Dist.
REP. ROY, 119th Dist.
REP. RYAN, 139th Dist.
REP. SCHOFIELD, 16th Dist.
REP. SHAPIRO, 144th Dist.
REP. SHARKEY, 88th Dist.
REP. SPALLONE, 36th Dist.
REP. TABORSACK, 109th Dist.
REP. TALLARITA, 58th Dist.
REP. TERCYAK, 26th Dist.
REP. THOMPSON, 13th Dist.
REP. TONG, 147th Dist.
REP. TRUGLIA, 145th Dist.
REP. URBAN, 43rd Dist.
REP. VILLANO, 91st Dist.
REP. WALKER, 93rd Dist.
REP. WIDLITZ, 98th Dist.
REP. WILLIS, 64th Dist.
REP. WRIGHT, 41st Dist.
REP. ZALASKI, 81st Dist.

To: Subst. House Bill No. 7098

File No. 863

Cal. No. 198

"AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2007*) (a) Between September 1,
4 2007, and September 1, 2012, inclusive, the Secretary of the Office of
5 Policy and Management shall provide a five-hundred-dollar rebate for
6 the purchase and installation in residential structures of replacement
7 natural gas, propane and oil furnaces and burners that meet or exceed
8 federal Energy Star standards. Persons may apply to the secretary, on a
9 form prescribed by the secretary, to receive such rebate. The rebate
10 shall be available for only a residential structure containing not more
11 than four dwelling units.

12 (b) On or before January 1, 2009, the Energy Conservation
13 Management Board shall report to the joint standing committee of the
14 General Assembly having cognizance of matters relating to energy
15 regarding the cost-effectiveness of the rebate program established
16 pursuant to subsection (a) of this section.

17 Sec. 2. Section 6 of public act 05-2 of the October 25 special session is
18 repealed and the following is substituted in lieu thereof (*Effective from*
19 *passage*):

20 The State Bond Commission shall have the power, from time to
21 time, to authorize the issuance of bonds of the state in one or more
22 series and in principal amounts not exceeding in the aggregate five
23 million dollars per year. The proceeds of the sale of said bonds shall be
24 deposited in the Energy Conservation Loan Fund established under

25 section 16a-40a of the general statutes for the purposes of making and
26 guaranteeing loans and deferred loans as provided in section 5 of [this
27 act] public act 05-2 of the October 25 special session and section 1 of
28 this act. All provisions of section 3-20 of the general statutes, or the
29 exercise of any right or power granted thereby which are not
30 inconsistent with the provisions of sections 16a-40 to 16a-40b,
31 inclusive, of the general statutes, as amended by section 5 of public act
32 05-191, and this section are hereby adopted and shall apply to all
33 bonds authorized by the State Bond Commission pursuant to said
34 sections 16a-40 to 16a-40b, inclusive, and this section, and temporary
35 notes in anticipation of the money to be derived from the sale of any
36 such bonds so authorized may be issued in accordance with said
37 section 3-20 and from time to time renewed. Such bonds shall mature
38 at such time or times not exceeding twenty years from their respective
39 dates as may be provided in or pursuant to the resolution or
40 resolutions of the State Bond Commission authorizing such bonds.
41 Said bonds issued pursuant to said sections 16a-40 to 16a-40b,
42 inclusive, and this section shall be general obligations of the state and
43 the full faith and credit of the state of Connecticut are pledged for the
44 payment of the principal of and interest on said bonds as the same
45 become due, and accordingly and as part of the contract of the state
46 with the holders of said bonds, appropriation of all amounts necessary
47 for punctual payment of such principal and interest is hereby made,
48 and the Treasurer shall pay such principal and interest as the same
49 become due.

50 Sec. 3. (*Effective from passage*) (a) On or before January 1, 2008, the
51 Energy Conservation Management Board, in consultation with the
52 electric distribution companies, shall develop and establish a cost-
53 effective program to (1) provide enhanced rebates to residential
54 customers of electric distribution companies who replace an existing
55 window air conditioning unit that does not meet the federal Energy
56 Star standard with a unit that does meet said standard. Said program
57 shall be in effect from January 1, 2008, to September 1, 2008. Such
58 rebates shall be not less than twenty-five dollars for an air conditioner

59 with a retail price of one hundred dollars to two hundred dollars; not
60 less than fifty dollars for an air conditioner with a retail price of more
61 than two hundred dollars but less than three hundred dollars; and not
62 less than one hundred dollars for an air conditioner with a retail price
63 of more than three hundred dollars, unless the board demonstrates
64 that such rebate levels are not cost-effective, and (2) provide rebates of
65 not less than five hundred dollars to residential customers of electric
66 distribution companies who replace an existing central air
67 conditioning unit that does not meet the federal Energy Star standard
68 with a unit that does meet said standard. The board, in consultation
69 with the Low-Income Energy Advisory Board, established pursuant to
70 section 16a-41b of the general statutes, shall determine the parameters
71 of the program with regard to residential customers who live in
72 apartments.

73 (b) The rebate program shall be funded by the Energy Conservation
74 and Load Management Funds established by the electric distribution
75 companies pursuant to section 16-245m of the general statutes.

76 (c) The Commissioner of Consumer Protection shall certify to
77 participate in the program established in subsection (a) of this section
78 only those retailers that will provide the rebate to only those customers
79 who present an air conditioning unit to a retailer for disposal upon or
80 before the purchase of an air conditioning unit that meets the federal
81 Energy Star standard. The commissioner may impose a fine of not
82 more than ten thousand dollars on any retailer providing the rebate
83 without removing or disposing of an air conditioning unit.

84 (d) The Energy Conservation Management Board shall provide for
85 the environmentally responsible disposal of air conditioning units
86 returned pursuant to subsection (c) of this section.

87 (e) On or before January 1, 2009, the Energy Conservation
88 Management Board shall report to the joint standing committee of the
89 General Assembly having cognizance of matters relating to energy the
90 results of the rebate program established in subsection (a) of this

91 section.

92 Sec. 4. (NEW) (*Effective October 1, 2007*) An electric supplier or an
93 electric distribution company shall waive a demand charge for an
94 operator of a fuel cell during (1) a loss of power due to problems at any
95 distribution resource, or (2) a scheduled or unscheduled shutdown of
96 the fuel cell if said shutdown occurs during off-peak hours. The charge
97 waived shall not exceed the amount resulting from the problem or
98 shutdown.

99 Sec. 5. (NEW) (*Effective from passage*) On and after January 1, 2008,
100 the Department of Public Utility Control shall order and direct that
101 any intermediate or base load electric generating unit owned by an
102 electric distribution company or covered by a bilateral contract with an
103 electric distribution company that is fueled by either oil or natural gas,
104 with a rating of not less than sixty-five megawatts, to have the actual
105 ability to operate on demand for a forty-eight-hour period using either
106 oil or natural gas, provided the department may determine that dual
107 fuel capability is not required for a specific generating unit if imposing
108 such requirement is not in the best interest of Connecticut consumers.

109 Sec. 6. (*Effective from passage*) Not later than July 1, 2007, the
110 Department of Public Utility Control shall initiate an uncontested case
111 proceeding to analyze (1) the appropriate number of linemen that are
112 necessary for an electric distribution company to maintain, repair and
113 extend its electric distribution lines by region under normal
114 circumstances and under extraordinary circumstances, including, but
115 not limited to, storm conditions, (2) whether the consolidation or
116 centralization of line repair facilities and personnel results in longer
117 times to reach affected areas, (3) whether greater use of newer
118 technologies may reduce the incidence of power outages, and (4) the
119 most efficacious way to notify the public regarding an electric power
120 outage and the status of an electric distribution company's efforts to
121 restore electricity to a particular area of the state. Not later than
122 February 1, 2008, the department shall submit a report with the results
123 of such analysis to the joint standing committee of the General

124 Assembly having cognizance of matters relating to energy in
125 accordance with the provisions of section 11-4a of the general statutes.

126 Sec. 7. Section 16-32g of the general statutes is repealed and the
127 following is substituted in lieu thereof (*Effective October 1, 2007*):

128 Not later than January 1, [1988] 2008, and annually thereafter, each
129 electric or electric distribution company shall submit to the
130 Department of Public Utility Control a plan for the maintenance of
131 poles, wires, conduits or other fixtures, along public highways or
132 streets for the transmission or distribution of electric current, owned,
133 operated, managed or controlled by such company, in such format as
134 the department shall prescribe. Such plan shall include a summary of
135 appropriate staffing levels necessary for the maintenance of said
136 fixtures and a program for the trimming of tree branches and limbs
137 located in close proximity to overhead electric wires where such
138 branches and limbs may cause damage to such electric wires. The
139 department shall review each plan and may issue such orders as may
140 be necessary to ensure compliance with this section. The department
141 may require each electric or electric distribution company to submit an
142 updated plan at such time and containing such information as the
143 department may prescribe. The department shall adopt regulations, in
144 accordance with the provisions of chapter 54, to carry out the
145 provisions of this section.

146 Sec. 8. Subsection (a) of section 16-19e of the general statutes is
147 repealed and the following is substituted in lieu thereof (*Effective*
148 *October 1, 2007*):

149 (a) In the exercise of its powers under the provisions of this title, the
150 Department of Public Utility Control shall examine and regulate the
151 transfer of existing assets and franchises, the expansion of the plant
152 and equipment of existing public service companies, the operations
153 and internal workings of public service companies and the
154 establishment of the level and structure of rates in accordance with the
155 following principles: (1) That there is a clear public need for the service

156 being proposed or provided; (2) that the public service company shall
157 be fully competent to provide efficient and adequate service to the
158 public in that such company is technically, financially and
159 managerially expert and efficient; (3) that the department and all
160 public service companies shall perform all of their respective public
161 responsibilities with economy, efficiency and care for [the] public
162 safety and energy security, and so as to promote economic
163 development within the state with consideration for energy and water
164 conservation, energy efficiency and the development and utilization of
165 renewable sources of energy and for the prudent management of the
166 natural environment; (4) that the level and structure of rates be
167 sufficient, but no more than sufficient, to allow public service
168 companies to cover their operating costs including, but not limited to,
169 appropriate staffing levels, and capital costs, to attract needed capital
170 and to maintain their financial integrity, and yet provide appropriate
171 protection to the relevant public interests, both existing and
172 foreseeable which shall include, but not be limited to, reasonable costs
173 of security of assets, facilities and equipment that are incurred solely
174 for the purpose of responding to security needs associated with the
175 terrorist attacks of September 11, 2001, and the continuing war on
176 terrorism; (5) that the level and structure of rates charged customers
177 shall reflect prudent and efficient management of the franchise
178 operation; and (6) that the rates, charges, conditions of service and
179 categories of service of the companies not discriminate against
180 customers which utilize renewable energy sources or cogeneration
181 technology to meet a portion of their energy requirements.

182 Sec. 9. (NEW) (*Effective from passage*) Not later than September 1,
183 2007, the Connecticut Siting Council, in consultation with the
184 Department of Emergency Management and Homeland Security's
185 Coordinating Council, established pursuant to section 28-1b of the
186 general statutes, and the Department of Public Utility Control shall
187 initiate a contested case proceeding, in accordance with the provisions
188 of chapter 54 of the general statutes, to investigate energy security with
189 regard to the siting of electric generating facilities and transmission

190 facilities, including consideration of planning, preparedness, response
191 and recovery capabilities. The Connecticut Siting Council may conduct
192 such proceedings in an executive session with sensitive information
193 submitted under a protective order.

194 Sec. 10. (*Effective from passage*) Not later than July 1, 2007, the
195 Department of Public Utility Control shall initiate an uncontested case
196 proceeding, in consultation with the Connecticut Siting Council, to
197 assess ways in which the state can ensure and enhance the reliability of
198 electric generating facilities located in the state during periods of peak
199 electric demand. Said proceeding shall include, but not be limited to,
200 an examination of (1) the current compliance status of electric
201 generation facilities with existing on-site dual fuel storage and
202 operational requirements, (2) the existing inventory of fuel storage and
203 fuel delivery resources available to supply electric generating facilities
204 located in the state, (3) the amount of fuel delivery and storage
205 infrastructure that would be necessary to ensure the reliable operation
206 of in-state generating facilities during periods of peak electric demand,
207 (4) the value for and appropriate level of firm fuel delivery contracts,
208 and (5) the types of incentives that can be offered to electric and gas
209 market participants to enhance the reliability of electric service during
210 periods of peak electric demand. In conducting the proceeding, the
211 council and the department shall seek the input of interested persons
212 and entities, including, but not limited to, the Office of Consumer
213 Counsel, the Attorney General, the state's electric distribution and gas
214 companies, the state's electric generators, owners of natural gas
215 pipeline facilities located in the state, and the regional independent
216 system operator. Not later than February 1, 2008, the department shall
217 submit a report containing its findings and recommendations to the
218 joint standing committee of the General Assembly having cognizance
219 of matters relating to energy in accordance with the provisions of
220 section 11-4a of the general statutes.

221 Sec. 11. Section 16a-38k of the general statutes is repealed and the
222 following is substituted in lieu thereof (*Effective January 1, 2008*):

223 (a) Notwithstanding any provision of the general statutes, any (1)
224 new construction of a state facility [, except salt sheds, parking
225 garages, maintenance facilities or school construction,] that is projected
226 to cost five million dollars or more, and is approved and funded on or
227 after January 1, [2007] 2008, and (2) renovation of a state facility that is
228 projected to cost not less than two million dollars, that is financed with
229 state funds and is approved and funded on or after January 1, 2008,
230 shall comply with the regulations adopted pursuant to subsection (b)
231 of this section. The Secretary of the Office of Policy and Management,
232 in consultation with the Commissioner of Public Works, [and the
233 Institute for Sustainable Energy,] shall exempt any facility from
234 complying with said regulations if [said secretary] the Institute for
235 Sustainable Energy finds, in a written analysis, that the cost of such
236 compliance significantly outweighs the benefits. For purposes of this
237 section, "state facility" means any building, including, but not limited
238 to, a state-financed housing project, but not a building that is used or
239 intended to be used as a school.

240 (b) [Not later than January 1, 2007, the] The Secretary of the Office of
241 Policy and Management, in consultation with the Commissioner of
242 Public Works, the Commissioner of Environmental Protection and the
243 Commissioner of Public Safety, shall adopt regulations, in accordance
244 with the provisions of chapter 54, to adopt building construction
245 standards that (1) are consistent with or exceed the silver building
246 rating of the Leadership in Energy and Environmental Design's rating
247 system for new commercial construction and major renovation
248 projects, as established by the United States Green Building Council,
249 including energy standards that exceed those set forth in the 2004
250 edition of the American Society of Heating, Ventilating and Air
251 Conditioning Engineers (ASHRAE) Standard 90.1 by no less than
252 twenty per cent, or an equivalent standard, including, but not limited
253 to, a two-globe rating in the Green Globes USA design program, and
254 (2) will ensure that the completed building design and specifications
255 and completed commissioned building will receive an energy
256 performance rating of at least seventy-five on the Environmental

257 Protection Agency's Energy Star energy performance rating system,
258 and thereafter update such regulations as the secretary deems
259 necessary.

260 Sec. 12. Subsection (i) of section 16-243m of the general statutes is
261 repealed and the following is substituted in lieu thereof (*Effective*
262 *October 1, 2007*):

263 (i) An electric distribution company shall negotiate in good faith the
264 final terms of the draft contract, submitted under subsection (e) of this
265 section and included in a proposal approved under subsection (g) of
266 this section, and shall apply to the department for approval of each
267 such contract. After thirty days, either party may request the assistance
268 of the department to resolve any outstanding issues. No such contract
269 may become effective without approval of the department. The
270 department shall hold a hearing that shall be conducted as a contested
271 case, in accordance with the provisions of chapter 54, to approve, reject
272 or modify an application for approval of a capacity purchase contract.
273 No contract shall be approved unless the department finds that
274 approval of such contract would (1) result in the lowest reasonable cost
275 of such products and services, including providing lower overall
276 electric rates than a similar plant that is owned and operated by a state
277 electric authority for the sole benefit of consumers or a similar plant
278 owned and operated by an electric distribution company that provides
279 all of its electric output to ratepayers on a cost-plus basis, (2) increase
280 reliability, and (3) minimize federally mandated congestion charges to
281 the state over the life of the contract. Such a contract shall contain
282 terms that mitigate the long-term risk assumed by ratepayers. No
283 contract approved by the department shall have a term exceeding
284 fifteen years. As determined by the department, the electric
285 distribution company shall either sell into the capacity markets all or a
286 portion of capacity rights transferred pursuant to this section and use
287 all proceeds from such sales to offset federally mandated congestion
288 charges incurred by all customers, or shall retain such capacity rights
289 to offset electric capacity charges associated with transitional standard
290 offer, standard service or service as supplier of last resort under section

291 16-244c, as amended by this act. The costs associated with long-term
292 electric capacity contracts shall be recovered through federally
293 mandated congestion charges.

294 Sec. 13. Section 16a-48 of the general statutes is repealed and the
295 following is substituted in lieu thereof (*Effective October 1, 2007*):

296 (a) As used in this section:

297 (1) ["Department" means the Department of Public Utility Control]
298 "Office" means the Office of Policy and Management;

299 (2) "Fluorescent lamp ballast" or "ballast" means a device designed
300 to operate fluorescent lamps by providing a starting voltage and
301 current and limiting the current during normal operation, but does not
302 include such devices that have a dimming capability or are intended
303 for use in ambient temperatures of zero degrees Fahrenheit or less or
304 have a power factor of less than sixty-one hundredths for a single
305 F40T12 lamp;

306 (3) "F40T12 lamp" means a tubular fluorescent lamp that is a
307 nominal forty-watt lamp, with a forty-eight-inch tube length and one
308 and one-half inches in diameter;

309 (4) "F96T12 lamp" means a tubular fluorescent lamp that is a
310 nominal seventy-five-watt lamp with a ninety-six-inch tube length and
311 one and one-half inches in diameter;

312 (5) "Luminaire" means a complete lighting unit consisting of a
313 fluorescent lamp, or lamps, together with parts designed to distribute
314 the light, to position and protect such lamps, and to connect such
315 lamps to the power supply;

316 (6) "New product" means a product that is sold, offered for sale, or
317 installed for the first time and specifically includes floor models and
318 demonstration units;

319 (7) "Secretary" means the Secretary of the Office of Policy and

320 Management;

321 (8) "State Building Code" means the building code adopted
322 pursuant to section 29-252;

323 (9) "Torchiere lighting fixture" means a portable electric lighting
324 fixture with a reflector bowl giving light directed upward so as to give
325 indirect illumination;

326 (10) "Unit heater" means a self-contained, vented fan-type
327 commercial space heater that uses natural gas or propane that is
328 designed to be installed without ducts within the heated space. "Unit
329 heater" does not include a product regulated by federal standards
330 pursuant to 42 USC 6291, as amended from time to time, a product that
331 is a direct vent, forced flue heater with a sealed combustion burner, or
332 any oil fired heating system;

333 (11) "Transformer" means a device consisting of two or more coils of
334 insulated wire that transfers alternating current by electromagnetic
335 induction from one coil to another in order to change the original
336 voltage or current value;

337 (12) "Low-voltage dry-type transformer" means a transformer that:
338 (A) Has an input voltage of [600] six hundred volts or less; (B) is
339 between [14] fourteen kilovolt-amperes and [2,501] two thousand five
340 hundred one kilovolt-amperes in size; (C) is air-cooled; and (D) does
341 not use oil as a coolant. "Low-voltage dry-type transformer" does not
342 include such transformers excluded from the low-voltage dry-type
343 distribution transformer definition contained in the California Code of
344 Regulations, Title 20: Division 2, Chapter 4, Article 4: Appliance
345 Efficiency Regulations;

346 (13) "Pass-through cabinet" means a refrigerator or freezer with
347 hinged or sliding doors on both the front and rear of the refrigerator or
348 freezer;

349 (14) "Reach-in cabinet" means a refrigerator, freezer, or combination

350 thereof, with hinged or sliding doors or lids;

351 (15) "Roll-in" or "roll-through cabinet" means a refrigerator or
352 freezer with hinged or sliding doors that allows wheeled racks of
353 product to be rolled into or through the refrigerator or freezer;

354 (16) "Commercial refrigerators and freezers" means reach-in
355 cabinets, pass-through cabinets, roll-in cabinets and roll-through
356 cabinets that have less than eighty-five feet of capacity, ["Commercial
357 refrigerators and freezers" does not include walk-in models or
358 consumer products regulated under the federal National Appliance
359 Energy Conservation Act of 1987] which are designed for the
360 refrigerated or frozen storage of food and food products;

361 (17) "Traffic signal module" means a standard eight-inch or twelve-
362 inch round traffic signal indicator consisting of a light source, lens and
363 all parts necessary for operation and communication of movement
364 messages to drivers through red, amber and green colors;

365 (18) "Illuminated exit sign" means an internally illuminated sign that
366 is designed to be permanently fixed in place and used to identify an
367 exit by means of a light source that illuminates the sign or letters from
368 within where the background of the exit sign is not transparent;

369 (19) "Packaged air-conditioning equipment" means air-conditioning
370 equipment that is built as a package and shipped as a whole to end-
371 user sites;

372 (20) "Large packaged air-conditioning equipment" means air-cooled
373 packaged air-conditioning equipment having not less than [240,000]
374 two hundred forty thousand BTUs per hour of capacity;

375 (21) "Commercial clothes washer" means a soft mount front-loading
376 or soft mount top-loading clothes washer that is designed for use in
377 (A) applications where the occupants of more than one household will
378 be using it, such as in multifamily housing common areas and coin
379 laundries; or (B) other commercial applications, if the clothes container

380 compartment is no greater than [3.5] three and one-half cubic feet for
381 horizontal-axis clothes washers [.] or no greater than [4.0] four cubic
382 feet for vertical-axis clothes washers;

383 (22) "Energy efficiency ratio" means a measure of the relative
384 efficiency of a heating or cooling appliance that is equal to the unit's
385 output in BTUs per hour divided by its consumption of energy,
386 measured in watts;

387 (23) "Electricity ratio" means the ratio of furnace electricity use to
388 total furnace energy use;

389 (24) "Boiler" means a space heater that is a self-contained appliance
390 for supplying steam or hot water primarily intended for space-heating.
391 "Boiler" does not include hot water supply boilers;

392 (25) "Central furnace" means a self-contained space heater designed
393 to supply heated air through ducts of more than ten inches in length;

394 (26) "Residential furnace or boiler" means a product that utilizes
395 only single-phase electric current or single-phase electric current or DC
396 current in conjunction with natural gas, propane or home heating oil
397 and that (A) is designed to be the principal heating source for the
398 living space of a residence; (B) is not contained within the same cabinet
399 as a central air conditioner with a rated cooling capacity of not less
400 than sixty-five thousand BTUs per hour; (C) is an electric central
401 furnace, electric boiler, forced-air central furnace, gravity central
402 furnace or low pressure steam or hot water boiler; and (D) has a heat
403 input rate of less than three hundred thousand BTUs per hour for
404 electric boilers and low pressure steam or hot water boilers and less
405 than two hundred twenty-five thousand BTUs per hour for forced-air
406 central furnaces, gravity central furnaces and electric central furnaces;

407 (27) "Furnace air handler" means the section of the furnace that
408 includes the fan, blower and housing, generally upstream of the
409 burners and heat exchanger. The furnace air handler may include a
410 filter and a cooling coil;

411 (28) "High-intensity discharge lamp" means a lamp in which light is
412 produced by the passage of an electric current through a vapor or gas,
413 the light-producing arc is stabilized by bulb wall temperature and the
414 arc tube has a bulb wall loading in excess of three watts per square
415 centimeter;

416 (29) "Metal halide lamp" means a high intensity discharge lamp in
417 which the major portion of the light is produced by radiation of metal
418 halides and their products of dissociation, possibly in combination
419 with metallic vapors;

420 (30) "Metal halide lamp fixture" means a light fixture designed to be
421 operated with a metal halide lamp and a ballast for a metal halide
422 lamp;

423 (31) "Probe start metal halide ballast" means a ballast used to
424 operate metal halide lamps that does not contain an ignitor and that
425 instead starts lamps by using a third starting electrode probe in the arc
426 tube;

427 (32) "Single voltage external AC to DC power supply" means a
428 device that (A) is designed to convert line voltage AC input into lower
429 voltage DC output; (B) is able to convert to only one DC output voltage
430 at a time; (C) is sold with, or intended to be used with, a separate end-
431 use product that constitutes the primary power load; (D) is contained
432 within a separate physical enclosure from the end-use product; (E) is
433 connected to the end-use product in a removable or hard-wired male
434 and female electrical connection, cable, cord or other wiring; (F) does
435 not have batteries or battery packs, including those that are removable
436 or that physically attach directly to the power supply unit; (G) does not
437 have a battery chemistry or type selector switch and indicator light or a
438 battery chemistry or type selector switch and a state of charge meter;
439 and (H) has a nameplate output power less than or equal to two
440 hundred fifty watts;

441 (33) "State regulated incandescent reflector lamp" means a lamp that
442 is not colored or designed for rough or vibration service applications,

443 has an inner reflective coating on the outer bulb to direct the light, has
444 an E26 medium screw base, a rated voltage or voltage range that lies at
445 least partially within one hundred fifteen to one hundred thirty volts,
446 and that falls into one of the following categories: (A) A bulged
447 reflector or elliptical reflector or a blown PAR bulb shape and that has
448 a diameter that equals or exceeds two and one-quarter inches, or (B) a
449 reflector, parabolic aluminized reflector, bulged reflector or similar
450 bulb shape and that has a diameter of two and one-quarter to two and
451 three-quarters inches. "State regulated incandescent reflector lamp"
452 does not include ER30, BR30, BR40 and ER40 lamps of not more than
453 fifty watts, BR30, BR40 and ER40 lamps of sixty-five watts and R20
454 lamps of not more than forty-five watts;

455 (34) "Bottle-type water dispenser" means a water dispenser that uses
456 a bottle or reservoir as the source of potable water;

457 (35) "Commercial hot food holding cabinet" means a heated, fully-
458 enclosed compartment with one or more solid or partial glass doors
459 that is designed to maintain the temperature of hot food that has been
460 cooked in a separate appliance. "Commercial hot food holding cabinet"
461 does not include heated glass merchandizing cabinets, drawer
462 warmers or cook-and-hold appliances;

463 (36) "Pool heater" means an appliance designed for heating
464 nonpotable water contained at atmospheric pressure for swimming
465 pools, spas, hot tubs and similar applications, including natural gas,
466 heat pump, oil and electric resistance pool heaters;

467 (37) "Portable electric spa" means a factory-built electric spa or hot
468 tub supplied with equipment for heating and circulating water;

469 (38) "Residential pool pump" means a pump used to circulate and
470 filter pool water to maintain clarity and sanitation;

471 (39) "Walk-in refrigerator" means a space refrigerated to
472 temperatures at or above thirty-two degrees Fahrenheit that has a total
473 chilled storage area of less than three thousand square feet, can be

474 walked into and is designed for the refrigerated storage of food and
475 food products. "Walk-in refrigerator" does not include refrigerated
476 warehouses and products designed and marketed exclusively for
477 medical, scientific or research purposes;

478 (40) "Walk-in freezer" means a space refrigerated to temperatures
479 below thirty-two degrees Fahrenheit that has a total chilled storage
480 area of less than three thousand square feet, can be walked into and is
481 designed for the frozen storage of food and food products. "Walk-in
482 freezer" does not include refrigerated warehouses and products
483 designed and marketed exclusively for medical, scientific or research
484 purposes;

485 (41) "Central air conditioner" means a central air conditioning model
486 that consists of one or more factory-made assemblies, which normally
487 include an evaporator or cooling coil, compressor and condenser.
488 Central air conditioning models may provide the function of air
489 cooling, air cleaning, dehumidifying or humidifying.

490 (b) The provisions of this section apply to the testing, certification
491 and enforcement of efficiency standards for the following types of new
492 products sold, offered for sale or installed in the state: (1) Commercial
493 clothes washers; (2) commercial refrigerators and freezers; (3)
494 illuminated exit signs; (4) large packaged air-conditioning equipment;
495 (5) low voltage dry-type distribution transformers; (6) torchiere
496 lighting fixtures; (7) traffic signal modules; (8) unit heaters; (9)
497 residential furnaces and boilers; (10) residential pool pumps; (11) metal
498 halide lamp fixtures; (12) single voltage external AC to DC power
499 supplies; (13) state regulated incandescent reflector lamps; (14) bottle-
500 type water dispensers; (15) commercial hot food holding cabinets; (16)
501 portable electric spas; (17) walk-in refrigerators and walk-in freezers;
502 (18) pool heaters; and [(9)] (19) any other products as may be
503 designated by the [department] office in accordance with subdivision
504 (3) of subsection (d) of this section.

505 (c) The provisions of this section do not apply to (1) new products

506 manufactured in the state and sold outside the state, (2) new products
507 manufactured outside the state and sold at wholesale inside the state
508 for final retail sale and installation outside the state, (3) products
509 installed in mobile manufactured homes at the time of construction, or
510 (4) products designed expressly for installation and use in recreational
511 vehicles.

512 (d) (1) [Not later than July 1, 2005, the department] The office, in
513 consultation with the [secretary] Department of Public Utility Control,
514 shall adopt regulations, in accordance with the provisions of chapter
515 54, to implement the provisions of this section and to establish
516 minimum energy efficiency standards for the types of new products
517 set forth in subsection (b) of this section. The regulations shall provide
518 for the following minimum energy efficiency standards:

519 (A) Commercial clothes washers shall meet the requirements shown
520 in Table P-3 of section 1605.3 of the California Code of Regulations,
521 Title 20: Division 2, Chapter 4, Article 4;

522 (B) [commercial] Commercial refrigerators and freezers shall meet
523 the August 1, 2004, requirements shown in Table A-6 of said California
524 regulation;

525 (C) [illuminated] Illuminated exit signs shall meet the version 2.0
526 product specification of the "Energy Star Program Requirements for
527 Exit Signs" developed by the United States Environmental Protection
528 Agency;

529 (D) [large] Large packaged air-conditioning equipment having not
530 more than [760,000] seven hundred sixty thousand BTUs per hour of
531 capacity shall meet a minimum energy efficiency ratio of 10.0 for units
532 using both electric heat and air conditioning or units solely using
533 electric air conditioning, and 9.8 for units using both natural gas heat
534 and electric air conditioning;

535 (E) [large] Large packaged air-conditioning equipment having not
536 less than [761,000] seven hundred sixty-one thousand BTUs per hour

537 of capacity shall meet a minimum energy efficiency ratio of 9.7 for
538 units using both electric heat and air conditioning or units solely using
539 electric air conditioning, and 9.5 for units using both natural gas heat
540 and electric air conditioning;

541 (F) [low] Low voltage dry-type distribution transformers shall meet
542 or exceed the energy efficiency values shown in Table 4-2 of the
543 National Electrical Manufacturers Association Standard TP-1-2002;

544 (G) [torchiere] Torchiere lighting fixtures shall not consume more
545 than [190] one hundred ninety watts and shall not be capable of
546 operating with lamps that total more than [190] one hundred ninety
547 watts;

548 (H) [traffic] Traffic signal modules shall meet the product
549 specification of the "Energy Star Program Requirements for Traffic
550 Signals" developed by the United States Environmental Protection
551 Agency that took effect in February, 2001, except where the
552 department, in consultation with the Commissioner of Transportation,
553 determines that such specification would compromise safe signal
554 operation;

555 (I) [unit] Unit heaters shall not have pilot lights and shall have either
556 power venting or an automatic flue damper;

557 (J) On or after January 1, 2009, residential furnaces and boilers
558 purchased by the state shall meet or exceed the following annual fuel
559 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
560 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
561 cent annual fuel utilization efficiency, (iii) for gas and propane hot
562 water boilers, eighty-four per cent annual fuel utilization efficiency,
563 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
564 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
565 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
566 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
567 for furnaces with furnace air handlers, an electricity ratio of not more
568 than 2.0, except air handlers for oil furnaces with a capacity of less than

569 ninety-four thousand BTUs per hour shall have an electricity ratio of
570 2.3 or less;

571 (K) On or after January 1, 2010, metal halide lamp fixtures designed
572 to be operated with lamps rated greater than or equal to one hundred
573 fifty watts but less than or equal to five hundred watts shall not
574 contain a probe-start metal halide lamp ballast;

575 (L) Single-voltage external AC to DC power supplies manufactured
576 on or after January 1, 2008, shall meet the energy efficiency standards
577 of table U-1 of section 1605.3 of the January 2006 California Code of
578 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
579 Efficiency Regulations. This standard applies to single voltage AC to
580 DC power supplies that are sold individually and to those that are sold
581 as a component of or in conjunction with another product. This
582 standard shall not apply to single voltage external AC to DC power
583 supplies sold with products subject to certification by the United States
584 Food and Drug Administration. A single-voltage external AC to DC
585 power supply that is made available by a manufacturer directly to a
586 consumer or to a service or repair facility after and separate from the
587 original sale of the product requiring the power supply as a service
588 part or spare part shall not be required to meet the standards in said
589 table U-1 until five years after the effective dates indicated in the table;

590 (M) On or after January 1, 2009, state regulated incandescent
591 reflector lamps shall be manufactured to meet the minimum average
592 lamp efficacy requirements for federally-regulated incandescent
593 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
594 indicate the date of manufacture;

595 (N) On or after January 1, 2009, bottle-type water dispensers,
596 commercial hot food holding cabinets, portable electric spas, walk-in
597 refrigerators and walk-in freezers shall meet the efficiency
598 requirements of section 1605.3 of the January 2006 California Code of
599 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
600 Efficiency Regulations. On or after January 1, 2010, residential pool

601 pumps shall meet said efficiency requirements;

602 (O) On or after January 1, 2009, pool heaters shall meet the
603 efficiency requirements of sections 1605.1 and 1605.3 of the January
604 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
605 Article 4: Appliance Efficiency Regulations.

606 (2) Such efficiency standards, where in conflict with the State
607 Building Code, shall take precedence over the standards contained in
608 the Building Code. Not later than July 1, 2007, and biennially
609 thereafter, the [department] office, in consultation with the [secretary]
610 Department of Public Utility Control, shall review and increase the
611 level of such efficiency standards by adopting regulations in
612 accordance with the provisions of chapter 54 upon a determination
613 that increased efficiency standards would serve to promote energy
614 conservation in the state and would be cost-effective for consumers
615 who purchase and use such new products, provided no such increased
616 efficiency standards shall become effective within one year following
617 the adoption of any amended regulations providing for such increased
618 efficiency standards.

619 (3) The [department] office, in consultation with the [secretary]
620 Department of Public Utility Control, shall adopt regulations, in
621 accordance with the provisions of chapter 54, to designate additional
622 products to be subject to the provisions of this section and to establish
623 efficiency standards for such products upon a determination that such
624 efficiency standards (A) would serve to promote energy conservation
625 in the state, (B) would be cost-effective for consumers who purchase
626 and use such new products, and (C) that multiple products are
627 available which meet such standards, provided no such efficiency
628 standards shall become effective within one year following their
629 adoption pursuant to this subdivision.

630 (e) On or after July 1, 2006, except for commercial clothes washers,
631 for which the date shall be July 1, 2007, commercial refrigerators and
632 freezers, for which the date shall be July 1, 2008, and large packaged

633 air-conditioning equipment, for which the date shall be July 1, 2009, no
634 new product of a type set forth in subsection (b) of this section or
635 designated by the [department] office may be sold, offered for sale, or
636 installed in the state unless the energy efficiency of the new product
637 meets or exceeds the efficiency standards set forth in such regulations
638 adopted pursuant to subsection (d) of this section.

639 (f) The [department] office, in consultation with the [secretary]
640 Department of Public Utility Control, shall adopt procedures for
641 testing the energy efficiency of the new products set forth in subsection
642 (b) of this section or designated by the department if such procedures
643 are not provided for in the State Building Code. The [department]
644 office shall use United States Department of Energy approved test
645 methods, or in the absence of such test methods, other appropriate
646 nationally recognized test methods. The manufacturers of such
647 products shall cause samples of such products to be tested in
648 accordance with the test procedures adopted pursuant to this
649 subsection or those specified in the State Building Code.

650 (g) Manufacturers of new products set forth in subsection (b) of this
651 section or designated by the [department] office shall certify to the
652 secretary that such products are in compliance with the provisions of
653 this section, except that certification is not required for single voltage
654 external AC to DC power supplies and walk-in refrigerators and walk-
655 in freezers. All single voltage external AC to DC power supplies shall
656 be labeled as described in the January 2006 California Code of
657 Regulations, Title 20, Section 1607 (9). The [department] office, in
658 consultation with the [secretary] Department of Public Utility Control,
659 shall promulgate regulations governing the certification of such
660 products. The secretary shall publish an annual list of such products.

661 (h) The Attorney General may institute proceedings to enforce the
662 provisions of this section. Any person who violates any provision of
663 this section shall be subject to a civil penalty of not more than two
664 hundred fifty dollars. Each violation of this section shall constitute a
665 separate offense, and each day that such violation continues shall

666 constitute a separate offense.

667 Sec. 14. (*Effective from passage*) (a) For the calendar year 2007, each
668 electric distribution company shall offer an electricity conservation
669 incentive program to its customers. Said program shall compare
670 electricity usage during the period beginning on July 1, 2007, and
671 ending on August 31, 2007, and during the same period in 2006 and
672 give customers a conservation incentive.

673 (b) Electric distribution companies shall issue credits to customers
674 on the electricity bill that is presented on or after November 1, 2007,
675 and shall calculate said credits as follows: (1) Any customer who uses
676 at least ten per cent less electricity during the 2007 period shall earn a
677 credit equal to ten per cent of the billed generation charges for usage
678 from July 1, 2007, to August 31, 2007, inclusive; (2) any customer who
679 uses at least fifteen per cent less electricity during the 2007 period shall
680 earn a credit equal to fifteen per cent of the billed generation charges
681 for usage from July 1, 2007, to August 31, 2007, inclusive; and (3) any
682 customer who uses at least twenty per cent less electricity during the
683 2007 period shall earn a credit equal to twenty per cent of the billed
684 generation charges for usage from July 1, 2007, to August 31, 2007,
685 inclusive. The calculation of reduction in electric energy usage shall be
686 made pursuant to this section and the Department of Public Utility
687 Control's decision in the proceeding required by subsection (c) of this
688 section. Customers who have overdue balances with the electric
689 distribution companies shall have any credits earned applied to such
690 overdue balances.

691 (c) Within fifteen days of the effective date of this section, each
692 electric distribution company shall file with the Department of Public
693 Utility Control an outline of the program established in subsection (a)
694 of this section. Said outline shall include, but not be limited to, how the
695 company plans to implement said program and the projected costs of
696 said program. Using the submitted outlines, the department shall
697 conduct an uncontested proceeding to design the parameters of the
698 program established in subsection (a) of this section and to consider

699 and implement reasonable means of marketing and promoting the
700 program. The department shall include, but not be limited to, the
701 following parameters necessary to encourage conservation, discourage
702 inaccuracy in measurement and assure that credits are only provided
703 to customers who have changed their usage by taking conservation
704 and load management actions: (1) The comparison of energy usage
705 shall be based on weather-normalized usage in 2007 compared to the
706 comparable period in 2006 for that particular address; (2) the program
707 shall not be available to customers without usage in comparable
708 months of 2006; and (3) for customers who participate in other demand
709 response programs, including, but not limited to, those sponsored by
710 the regional independent system operator, benefits from the program
711 established in subsection (a) of this section shall be pro-rated against
712 any benefits from any other programs. Customers with overdue
713 balances shall have any credits issued pursuant to subsection (b) of this
714 section applied first to reduce such balances.

715 (d) All costs incurred by an electric distribution company in
716 connection with the program established in subsection (a) of this
717 section, including incentive credits on customers' bills, shall be
718 recoverable through the systems benefits charge.

719 (e) On or before February 1, 2008, the department shall report to the
720 joint standing committee of the General Assembly having cognizance
721 of matters relating to energy regarding the success of, and any
722 recommendations for improvement of, the incentive program
723 established pursuant to subsection (a) of this section.

724 Sec. 15. Subsection (a) of section 16-245l of the general statutes is
725 repealed and the following is substituted in lieu thereof (*Effective from*
726 *passage*):

727 (a) The Department of Public Utility Control shall establish and each
728 electric distribution company shall collect a systems benefits charge to
729 be imposed against all end use customers of each electric distribution
730 company beginning January 1, 2000. The department shall hold a

731 hearing that shall be conducted as a contested case in accordance with
732 chapter 54 to establish the amount of the systems benefits charge. The
733 department may revise the systems benefits charge or any element of
734 said charge as the need arises. The systems benefits charge shall be
735 used to fund (1) the expenses of the public education outreach
736 program developed under subsections (a), (f) and (g) of section 16-
737 244d other than expenses for department staff, (2) the reasonable and
738 proper expenses of the education outreach consultant pursuant to
739 subsection (d) of section 16-244d, (3) the cost of hardship protection
740 measures under sections 16-262c and 16-262d and other hardship
741 protections, including, but not limited to, electric service bill payment
742 programs, funding and technical support for energy assistance, fuel
743 bank and weatherization programs and weatherization services, (4) the
744 payment program to offset tax losses described in section 12-94d, (5)
745 any sums paid to a resource recovery authority pursuant to subsection
746 (b) of section 16-243e, (6) low income conservation programs approved
747 by the Department of Public Utility Control, (7) displaced worker
748 protection costs, (8) unfunded storage and disposal costs for spent
749 nuclear fuel generated before January 1, 2000, approved by the
750 appropriate regulatory agencies, (9) postretirement safe shutdown and
751 site protection costs that are incurred in preparation for
752 decommissioning, (10) decommissioning fund contributions, (11) the
753 costs of temporary electric generation facilities incurred pursuant to
754 section 16-19ss, (12) operating expenses for the Connecticut Energy
755 Advisory Board, [and] (13) legal, appraisal and purchase costs of a
756 conservation or land use restriction and other related costs as the
757 department in its discretion deems appropriate, incurred by a
758 municipality on or before January 1, 2000, to ensure the environmental,
759 recreational and scenic preservation of any reservoir located within
760 this state created by a pump storage hydroelectric generating facility,
761 and (14) expenses related to the electricity conservation incentive
762 program established in section 14 of this act. As used in this
763 subsection, "displaced worker protection costs" means the reasonable
764 costs incurred, prior to January 1, 2008, (A) by an electric supplier,
765 exempt wholesale generator, electric company, an operator of a

nuclear power generating facility in this state or a generation entity or affiliate arising from the dislocation of any employee other than an officer, provided such dislocation is a result of (i) restructuring of the electric generation market and such dislocation occurs on or after July 1, 1998, or (ii) the closing of a Title IV source or an exempt wholesale generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a result of such source's failure to meet requirements imposed as a result of sections 22a-197 and 22a-198 and this section or those Regulations of Connecticut State Agencies adopted by the Department of Environmental Protection, as amended from time to time, in accordance with Executive Order Number 19, issued on May 17, 2000, and provided further such costs result from either the execution of agreements reached through collective bargaining for union employees or from the company's or entity's or affiliate's programs and policies for nonunion employees, and (B) by an electric distribution company or an exempt wholesale generator arising from the retraining of a former employee of an unaffiliated exempt wholesale generator, which employee was involuntarily dislocated on or after January 1, 2004, from such wholesale generator, except for cause. "Displaced worker protection costs" includes costs incurred or projected for severance, retraining, early retirement, outplacement, coverage for surviving spouse insurance benefits and related expenses. "Displaced worker protection costs" does not include those costs included in determining a tax credit pursuant to section 12-217bb.

Sec. 16. (NEW) (*Effective July 1, 2007*) (a) On or before October 1, 2007, the Energy Conservation Management Board, established pursuant to section 16-245m of the general statutes, in consultation with the electric distribution and gas companies, shall develop and estimate the cost of a comprehensive residential conservation program, including, but not limited to, the following features: (1) An audit identifying appropriate conservation measures applicable to a utility customer's dwelling unit, whether owned or rented by the customer, prioritizing measures for cost-effectiveness and reductions in peak electricity demand; (2) a system that prioritizes customers to be

800 assisted at least in part by the customer's consent to installation of
801 those measures that are the most cost-effective and reduce peak
802 electricity demand; (3) a system of oversight that advises and assists a
803 customer in obtaining landlord authority where needed for installation
804 of cost-effective measures and assists a customer in accessing
805 incentives, other cost savings and financing for cost-effective measures
806 and identifying knowledgeable contractors for installation of such
807 measures and ensures successful installation of such measures; and (4)
808 provides financing for conservation measures on the utility bill, to the
809 extent such financing repayment does not exceed the expected life of
810 the measure, and the repayment amount plus the periodic customer
811 bill after installation of conservation measures does not exceed the
812 anticipated periodic bill for utility service without installation of such
813 conservation measures, and authorizes disconnection for nonpayment
814 by the customer of any financing repayment amount and assignment
815 of repayment obligations to subsequent owners or tenants of the
816 dwelling unit.

817 (b) On or before February 1, 2008, the Energy Conservation
818 Management Board shall provide a report to the joint standing
819 committees of the General Assembly having cognizance of matters
820 relating to energy and the environment regarding development and
821 the estimated cost of a comprehensive residential conservation
822 program as defined in subsection (a) of this section. Nothing herein
823 shall preclude development and implementation of conservation
824 programs with features described in subsection (a) of this section prior
825 to provision of said report, provided such programs have been
826 approved by the Department of Public Utility Control.

827 Sec. 17. Subsection (c) of section 16-245n of the general statutes is
828 repealed and the following is substituted in lieu thereof (*Effective from*
829 *passage*):

830 (c) There is hereby created a Renewable Energy Investment Fund
831 which shall be administered by Connecticut Innovations, Incorporated.
832 The fund may receive any amount required by law to be deposited

833 into the fund and may receive any federal funds as may become
834 available to the state for renewable energy investments. Connecticut
835 Innovations, Incorporated, may use any amount in said fund for
836 expenditures [which] that promote investment in renewable energy
837 sources in accordance with a comprehensive plan developed by it to
838 foster the growth, development and commercialization of renewable
839 energy sources, related enterprises and stimulate demand for
840 renewable energy and deployment of renewable energy sources
841 [which] that serve end use customers in this state and for the further
842 purpose of supporting operational demonstration projects for
843 advanced technologies that reduce energy utilization from traditional
844 sources. Such expenditures may include, but not be limited to, grants,
845 direct or equity investments, contracts or other actions which support
846 research, development, manufacture, commercialization, deployment
847 and installation of renewable energy technologies, and actions which
848 expand the expertise of individuals, businesses and lending
849 institutions with regard to renewable energy technologies.

850 Sec. 18. Section 4a-67c of the general statutes is repealed and the
851 following is substituted in lieu thereof (*Effective October 1, 2007*):

852 The Department of Administrative Services and each other
853 budgeted agency, as defined in section 4-69, exercising procurement
854 authority shall procure equipment and appliances for state use [which]
855 that meet or exceed the federal energy conservation standards set forth
856 in the Energy Policy and Conservation Act, 42 USC 6295, any federal
857 regulations adopted thereunder, [and] any applicable energy
858 performance standards established in accordance with subsection (j) of
859 section 16a-38 and meet or exceed the federal Energy Star standards.
860 Purchases of equipment and appliances for which energy performance
861 standards have been established pursuant to subsection (j) of section
862 16a-38 shall be (1) made from among those specific models of
863 equipment and appliances which meet such standards, and (2) based,
864 when possible, on competitive bids. Such bids shall be evaluated on
865 the basis of the life-cycle cost standards, if any, established pursuant to
866 subsection (b) of section 16a-38.

867 Sec. 19. (NEW) (*Effective from passage*) (a) On or before July 1, 2007,
868 the Department of Public Utility Control shall initiate a contested case
869 proceeding, in accordance with chapter 54 of the general statutes, to
870 determine a municipal electric utility's share of the one-time awards
871 made to customer-side distributed resources made pursuant to
872 subsection (a) of section 16-243i of the general statutes, as amended by
873 this act, in order for customers in its service area to qualify for such
874 awards. Said share shall reflect an equitable method of cost allocation
875 that reflects the benefits that accrue to electric distribution customers
876 as a result of such customer-side distributed resources.

877 (b) To qualify for such an award, any customer shall submit an
878 application, in a form prescribed by the Department of Public Utility
879 Control, to said department. The application shall contain a
880 certification by an independent licensed engineer that the customer-
881 side distributed resource is intended to operate for purposes of
882 reducing customer peak electric loads and that the project is financially
883 viable.

884 Sec. 20. Section 16-243r of the general statutes is repealed and the
885 following is substituted in lieu thereof (*Effective July 1, 2007*):

886 The provisions of sections 7-233y, 16-1, as amended by this act, 16-
887 19ss, as amended by this act, 16-32f, 16-50i, 16-50k, as amended by this
888 act, 16-50x, 16-243i to 16-243q, inclusive, as amended by this act, 16-
889 244c, as amended by this act, 16-244e, as amended by this act, 16-245d,
890 16-245m, 16-245n, as amended by this act, 16-245z and 16-262i and
891 section 21 of public act 05-1 of the June special session*, apply to new
892 customer-side distributed resources and grid-side distributed
893 resources developed in this state that add electric capacity on and after
894 January 1, 2006, and shall also apply to customer-side distributed
895 resources and grid-side distributed resources developed in this state
896 before January 1, 2007, that (1) have undergone upgrades that increase
897 the resource's thermal efficiency operating level by no fewer than ten
898 percentage points or, for resources that have a thermal efficiency level
899 of at least seventy per cent, have undergone upgrades that increase the

900 resource's turbine heat rate by no fewer than five percentage points
901 and increase the electrical output of the resource by no fewer than ten
902 percentage points, (2) operate at a thermal efficiency level of at least
903 fifty per cent, and (3) add electric capacity in this state on or after
904 January 1, 2007, provided such measure is in accordance with the
905 provisions of said sections 7-233y, 16-1, 16-19ss, 16-32f, 16-50i, 16-50k,
906 16-50x, 16-243i to 16-243q, inclusive, 16-244c, 16-244e, 16-245d, 16-
907 245m, 16-245n, 16-245z and 16-262i and section 21 of public act 05-1 of
908 the June special session*. On or before January 1, 2009, the
909 Department of Public Utility Control, in consultation with the Office of
910 Consumer Counsel, shall report to the joint standing committee of the
911 General Assembly having cognizance of matters relating to energy
912 regarding the cost-effectiveness of programs pursuant to this section.

913 Sec. 21. (NEW) (*Effective January 1, 2008*) Any municipality may, by
914 vote of its legislative body or, in a municipality where the legislative
915 body is a town meeting, by vote of the board of selectmen, provide a
916 property tax exemption to any owner of a motor vehicle exempt from
917 sales and use taxes under subdivision (110) or (115) of section 12-412 of
918 the general statutes, as amended by this act.

919 Sec. 22. Subdivision (110) of section 12-412 of the general statutes is
920 repealed and the following is substituted in lieu thereof (*Effective*
921 *January 1, 2008*):

922 (110) On and after July 1, 2000, and prior to July 1, [2002] 2010, the
923 sale of any passenger car that has a United States Environmental
924 Protection Agency estimated city or highway gasoline mileage rating
925 of at least [fifty] forty miles per gallon.

926 Sec. 23. (NEW) (*Effective from passage*) As used in sections 24 to 38,
927 inclusive, of this act:

928 (1) "Energy improvement district distributed resources" means one
929 or more of the following owned, leased, or financed by an Energy
930 Improvement District Board: (A) Customer-side distributed resources,
931 as defined in section 16-1 of the general statutes, as amended by this

932 act; (B) grid-side distributed resources, as defined in said section 16-1;
933 (C) combined heat and power systems, as defined in said section 16-1;
934 and (D) Class III sources, as defined in said section 16-1;

935 (2) "Project" means the acquisition, purchase, construction,
936 reconstruction, improvement or extension of one or more of energy
937 improvement district distributed resources.

938 Sec. 24. (NEW) (*Effective from passage*) (a) Any municipality may, by
939 vote of its legislative body, establish an energy improvement district
940 within such municipality. The affairs of any such district shall be
941 administered by an Energy Improvement District Board. The chief
942 elected official of the municipality shall appoint the members of any
943 such board, who shall serve for such term as the legislative body may
944 prescribe and until their successors are appointed and have qualified.
945 The chief elected official shall fill any vacancy for the unexpired
946 portion of the term. The members of each such board shall serve
947 without compensation, except for necessary expenses.

948 (b) After a vote by a municipality to establish an energy
949 improvement district, the chief elected official of the municipality shall
950 notify by mail each property owner of record within said district of
951 said action. An owner may record on the land records in the
952 municipality its decision to participate in the energy improvement
953 district pursuant to sections 24 to 38, inclusive, of this act. Any owner
954 of record, including any new owner of record, may rescind said
955 decision at any time.

956 Sec. 25. (NEW) (*Effective from passage*) (a) An Energy Improvement
957 District Board shall fund energy improvement district distributed
958 resources in its district consistent with a comprehensive plan prepared
959 for the district by said board for the development and financing of
960 such resources, except on state or federally owned properties, with a
961 view to increasing efficiency and reliability and the furtherance of
962 commerce and industry in the energy improvement district, provided
963 such district's plan shall be consistent with the state-wide procurement

964 and deployment plan prepared and approved pursuant to section 55 of
965 this act and the siting determinations of the Connecticut Siting
966 Council. The board may lease or acquire office space and equip the
967 same with suitable furniture and supplies for the performance of work
968 of the board and may employ such personnel as may be necessary for
969 such performance. The board also shall have power to:

970 (1) Sue and be sued;

971 (2) Have a seal and alter the same;

972 (3) Confer with any body or official having to do with electric power
973 distribution facilities within and without the district and hold public
974 hearings as to such facilities;

975 (4) Confer with electric distribution companies with reference to the
976 development of electric distribution facilities in such district and the
977 coordination of the same;

978 (5) Determine the location, type, size and construction of energy
979 improvement district distributed resources, subject to the approval of
980 any department, commission or official of the United States, the state
981 or the municipality where federal, state or municipal statute or
982 regulation requires it;

983 (6) Make surveys, maps and plans for, and estimates of the cost of,
984 the development and operation of requisite energy improvement
985 district distributed resources and for the coordination of such facilities
986 with existing agencies, both public and private, with the view of
987 increasing the efficiency of the electric distribution system in the
988 district and in the furtherance of commerce and industry in the district;

989 (7) Enter into contracts and leases, make loans and execute all
990 instruments necessary to carry out their duties pursuant to this section,
991 including the lending of proceeds of bonds issued in accordance with
992 subdivision (9) of this section to owners, lessees or occupants of
993 facilities in the energy improvement district;

994 (8) Fix fees, rates, rentals or other charges for the purpose of all
995 energy improvement district distributed resources owned by the
996 Energy Improvement District Board and collect such fees, rates, rentals
997 and other charges for such facilities owned by the board, which fees,
998 rates, rentals or other charges shall be sufficient to comply with all
999 covenants and agreements with the holders of any bonds issued
1000 pursuant to section 26 of this act;

1001 (9) Operate and maintain all energy improvement district
1002 distributed resources owned or leased by the board and use the
1003 revenues from such resources for the corporate purposes of the board
1004 in accordance with any covenants or agreements contained in the
1005 proceedings authorizing the issuance of bonds pursuant to section 26
1006 of this act;

1007 (10) Accept gifts, grants, loans or contributions from the United
1008 States, the state or any agency or instrumentality of either, or a person
1009 or corporation, by conveyance, bequest or otherwise, and expend the
1010 proceeds for any purpose of the board and, as necessary, contract with
1011 the United States, the state or any agency or instrumentality of either
1012 to accept gifts, grants, loans or contributions on such terms and
1013 conditions as may be provided by the law authorizing the same;

1014 (11) Maintain staff to promote and develop the movement of
1015 commerce through the energy improvement district; and

1016 (12) Use the officers, employees, facilities and equipment of the
1017 municipality, with the consent of the municipality, and pay a proper
1018 portion of the compensation or cost.

1019 (b) Nothing in sections 24 to 38, inclusive, of this act shall be
1020 construed to authorize an Energy Improvement District to:

1021 (1) Be an electric distribution company, as defined in section 16-1 of
1022 the general statutes, as amended by this act, or provide electric
1023 distribution or electric transmission services, as defined in said section
1024 16-1, or own or operate assets to provide such services;

1025 (2) Be a municipal electric utility, as defined in section 7-233 of the
1026 general statutes, or provide the services of a municipal electric utility;

1027 (3) Sell electricity to persons or entities in its municipality outside of
1028 the Energy Improvement District;

1029 (4) Undertake any authority or jurisdiction granted by the general
1030 statutes to the Connecticut Siting Council, the Department of Public
1031 Utility Control, or any other state agency, or to undertake any actions
1032 under the jurisdiction of any federal agency; or

1033 (5) Acquire property by eminent domain.

1034 Sec. 26. (NEW) (*Effective from passage*) (a) An Energy Improvement
1035 District Board may, from time to time, issue bonds subject to the
1036 approval of the legislative body in the municipality in which the
1037 energy improvement district is located for the purpose of paying all or
1038 any part of the cost of acquiring, purchasing, constructing,
1039 reconstructing, improving or extending any energy improvement
1040 district distributed resources project and acquiring necessary land and
1041 equipment thereof or for any other authorized purpose of the board.
1042 The board may issue such types of bonds as it may determine,
1043 including, but not limited to, bonds payable as to principal and
1044 interest: (1) From its revenues generally; (2) exclusively from the
1045 income and revenues of a particular project; or (3) exclusively from the
1046 income and revenues of certain designated projects, whether or not
1047 they are financed in whole or in part from the proceeds of such bonds.
1048 Any such bonds may be additionally secured by a pledge of any grant
1049 or contribution from a participating municipality, the state or any
1050 political subdivision, agency or instrumentality thereof, any federal
1051 agency or any private corporation, copartnership, association or
1052 individual, or a pledge of any income or revenues of the board, or a
1053 mortgage on any project or other property of the board, provided such
1054 pledge shall not create any liability on the entity making such grant or
1055 contribution beyond the amount of such grant or contribution.
1056 Whenever and for so long as any board has issued and has

1057 outstanding bonds, the board shall fix, charge and collect rates, rents,
1058 fees and other charges in accordance with section 28 of this act. Neither
1059 the members of the board nor any person executing the bonds shall be
1060 liable personally on the bonds by reason of the issuance thereof. The
1061 bonds and other obligations shall so state on their face that they shall
1062 not be a debt of the state or any political subdivision thereof, except
1063 when the board or a participating municipality, in accordance with
1064 section 35 of this act, has guaranteed payment of principal and of
1065 interest on the same, and no person other than the board or such a
1066 public body shall be liable thereon, nor shall such bonds or obligations
1067 be payable out of any funds or properties other than those of the board
1068 or such a participating municipality. Such bonds shall not constitute an
1069 indebtedness within the meaning of any statutory limitation on the
1070 indebtedness of any participating municipality. Bonds of the board are
1071 declared to be issued for an essential public and governmental
1072 purpose. In anticipation of the sale of such revenue bonds, the board
1073 may issue negotiable bond anticipation notes and may renew the same
1074 from time to time. The maximum maturity of any such note, including
1075 renewals thereof, shall not exceed five years from the date of original
1076 issue. Such notes shall be paid from any revenues of the board
1077 available therefor and not otherwise pledged or from the proceeds of
1078 sale of the revenue bonds of the Energy Improvement District Board in
1079 anticipation of which they were issued. The board shall issue the notes
1080 in the same manner as the revenue bonds. Such notes and the
1081 resolution or resolutions authorizing the same may contain any
1082 provisions, conditions or limitations that a bond resolution of the
1083 board may contain.

1084 (b) An Energy Improvement District Board may issue bonds as
1085 serial bonds, as term bonds or as both. Bonds shall be authorized by
1086 resolution of the members of the authority and shall bear such date or
1087 dates, mature at such time or times, not exceeding twenty years from
1088 their respective dates, bear interest at such rate or rates, or have
1089 provisions for the manner of determining such rate or rates, payable at
1090 such time or times, be in such denominations, be in such form, either

1091 coupon or registered, carry such registration privileges, be executed in
1092 such manner, be payable in lawful money of the United States of
1093 America at such place or places, and be subject to such terms of
1094 redemption, as such resolution or resolutions may provide. The
1095 revenue bonds or notes may be sold at public or private sale for such
1096 price or prices as the Energy Improvement District Board shall
1097 determine. Pending preparation of the definitive bonds, the Energy
1098 Improvement District Board may issue interim receipts or certificates
1099 that shall be exchanged for such definitive bonds.

1100 (c) Any resolution or resolutions authorizing any revenue bonds or
1101 any issue of revenue bonds may contain provisions, which shall be
1102 part of the contract with the holders of the revenue bonds to be
1103 authorized, as to: (1) Pledging all or any part of the revenues of a
1104 project or any revenue-producing contract or contracts made by the
1105 Energy Improvement District Board with any individual, partnership,
1106 corporation or association or other body, public or private, to secure
1107 the payment of the revenue bonds or of any particular issue of revenue
1108 bonds, subject to such agreements with bondholders as may then exist;
1109 (2) the rentals, fees and other charges to be charged, the amounts to be
1110 raised in each year thereby and the use and disposition of the
1111 revenues; (3) the setting aside of reserves or sinking funds or other
1112 funds or accounts as the board may establish and the regulation and
1113 disposition thereof, including requirements that any such funds and
1114 accounts be held separate from or not be commingled with other funds
1115 of the board; (4) limitations on the right of the board or its agent to
1116 restrict and regulate the use of the project; (5) limitations on the
1117 purpose to which the proceeds of sale of any issue of revenue bonds
1118 then or thereafter to be issued may be applied and pledging such
1119 proceeds to secure the payment of the revenue bonds or any issue of
1120 the revenue bonds; (6) limitations on the issuance of additional bonds,
1121 the terms upon which additional bonds may be issued and secured
1122 and the refunding of outstanding bonds; (7) the procedure, if any, by
1123 which the terms of any contract with bondholders may be amended or
1124 abrogated, the amount of bonds the holders of which must consent

1125 thereto and the manner in which such consent may be given; (8)
1126 limitations on the amount of moneys derived from the project to be
1127 expended for operating, administrative or other expenses of the board;
1128 (9) defining the acts or omissions to act that shall constitute a default in
1129 the duties of the board to holders of its obligations and providing the
1130 rights and remedies of such holders in the event of a default; (10) the
1131 mortgaging of a project and the site thereof for the purpose of securing
1132 the bondholder; and (11) provisions for the execution of
1133 reimbursement agreements or similar agreements in connection with
1134 credit facilities, including, but not limited to, letters of credit or policies
1135 of bond insurance, remarketing agreements and agreements for the
1136 purpose of moderating interest rate fluctuations.

1137 (d) If any member whose signature or a facsimile of whose
1138 signature appears on any bonds or coupons ceases to be such member
1139 before delivery of such bonds, such signature or such facsimile shall
1140 nevertheless be valid and sufficient for all purposes as if he had
1141 remained in office until such delivery. Notwithstanding the provisions
1142 of sections 24 to 38, inclusive, of this act, or any recitals in any bonds
1143 issued pursuant to this section, all such bonds shall be deemed to be
1144 negotiable instruments under the provisions of the general statutes.

1145 (e) Unless otherwise provided by the ordinance creating the Energy
1146 Improvement District Board, the board may issue bonds pursuant to
1147 this section, without obtaining the consent of the state or of any
1148 political subdivision thereof and without any other proceedings or
1149 conditions specifically required by sections 24 to 38, inclusive, of this
1150 act.

1151 (f) An Energy Improvement District Board may, within available
1152 funds, purchase its bonds or notes. The Energy Improvement District
1153 Board may hold, pledge, cancel or resell such bonds, subject to and in
1154 accordance with agreements with bondholders.

1155 (g) An Energy Improvement District Board shall cause a copy of any
1156 bond resolutions adopted by it to be filed for public inspection in its

1157 office and in the office of the clerk of each participating municipality
1158 and may thereupon cause to be published at least once, in a newspaper
1159 published or circulating in each participating municipality, a notice
1160 stating the fact and date of such adoption and the places where such
1161 bond resolution has been so filed for public inspection and the date of
1162 the first publication of such notice and also stating that any action or
1163 proceeding of any kind or nature in any court questioning the validity
1164 or proper authorization of bonds provided for by the bond resolution,
1165 or the validity of any covenants, agreements or contracts provided for
1166 by the bond resolution, shall be commenced not later than twenty days
1167 after the first publication of such notice. If any such notice is published
1168 and if no action or proceeding questions the validity or proper
1169 authorization of bonds provided for by the bond resolution referred to
1170 in such notice or the validity of any covenants, agreements or contracts
1171 provided for by the bond resolution is commenced or instituted not
1172 later than twenty days after the first publication of said notice, then all
1173 residents and taxpayers and owners of property in each participating
1174 municipality and all other persons shall be forever barred and
1175 foreclosed from instituting or commencing any action or proceeding in
1176 any court or from pleading any defense to any action or proceeding
1177 questioning the validity or proper authorization of such bonds or the
1178 validity of such covenants, agreements or contracts, and said bonds,
1179 covenants, agreements and contracts shall be conclusively deemed to
1180 be valid and binding obligations in accordance with their terms and
1181 tenor.

1182 (h) Notwithstanding any provision of the general statutes, (1) the
1183 state shall not have any liability or responsibility with regard to any
1184 obligation issued by the board, and (2) no political subdivision of the
1185 state shall have any liability or responsibility with regard to any
1186 obligation issued by the board except as expressly provided by
1187 sections 24 to 38, inclusive, of this act.

1188 Sec. 27. (NEW) (*Effective from passage*) An Energy Improvement
1189 District Board may secure any bonds issued pursuant to section 26 of
1190 this act by a trust indenture by way of conveyance, deed of trust or

1191 mortgage of any project or any other property of the board, whether or
1192 not financed in whole or in part from the proceeds of such bonds, or by
1193 a trust agreement by and between the board and a corporate trustee,
1194 which may be any trust company or bank having the powers of a trust
1195 company within or without the state or by both such conveyance, deed
1196 of trust or mortgage and indenture or trust agreement. Such trust
1197 indenture or agreement may pledge or assign any or all fees, rents and
1198 other charges to be received or proceeds of any contract or contracts
1199 pledged, and may convey or mortgage any property of the board. Such
1200 trust indenture or agreement may contain such provisions for
1201 protecting and enforcing the right and remedies of the bondholders as
1202 may be reasonable and proper and not in violation of law, including
1203 provisions that have been specifically authorized to be included in any
1204 resolution or resolutions of the board authorizing the issue of bonds.
1205 Any bank or trust company incorporated under the laws of the state
1206 may act as depository of the proceeds of such bonds or of revenues or
1207 other moneys and may furnish such indemnifying bonds or pledge
1208 such securities as may be required by the board. Such trust indenture
1209 may set forth rights and remedies of the bondholders and of the
1210 trustee and may restrict the individual right of action by bondholders.
1211 In addition, such trust indenture or agreement may contain such other
1212 provisions as the board may deem reasonable and proper for the
1213 security of the bondholders. All expenses incurred in carrying out the
1214 provisions of such trust indenture or agreement may be treated as part
1215 of the cost of a project.

1216 Sec. 28. (NEW) (*Effective from passage*) (a) An Energy Improvement
1217 District Board may fix, revise, charge and collect rates, rents, fees and
1218 charges for the use of and for the services furnished or to be furnished
1219 by each project and to contract with any person, partnership,
1220 association or corporation, or other body, public or private, in respect
1221 thereof. Such rates, rents, fees and charges shall be fixed and adjusted
1222 in respect of the aggregate of rates, rents, fees and charges from such
1223 project so as to provide funds sufficient with other revenues, if any, to
1224 (1) pay the cost of maintaining, repairing and operating the project and

1225 each and every portion thereof, to the extent that the payment of such
1226 cost has not otherwise been adequately provided for, (2) pay the
1227 principal and interest of outstanding revenue bonds of the board
1228 issued in respect of such project as the same shall become due and
1229 payable, and (3) create and maintain reserves required or provided for
1230 in any resolution authorizing, or trust agreement securing, such
1231 revenue bonds of the board. Such rates, rents, fees and charges shall
1232 not be subject to supervision or regulation by any department,
1233 commission, board, body, bureau or agency of this state other than the
1234 board. A sufficient amount of the revenues derived in respect of a
1235 project, except such part of such revenues as may be necessary to pay
1236 the cost of maintenance, repair and operation and to provide reserves
1237 and for renewals, replacements, extensions, enlargements and
1238 improvements as may be provided for in the resolution authorizing
1239 the issuance of any revenue bonds of the board or in the trust
1240 agreement securing the same, shall be set aside at such regular
1241 intervals as may be provided in such resolution or trust agreement in a
1242 sinking or other similar fund which is hereby pledged to, and charged
1243 with, the payment of the principal of and the interest on such revenue
1244 bonds as the same shall become due, and the redemption price or the
1245 purchase price of bonds retired by call or purchase as therein
1246 provided. Such pledge shall be valid and binding from the time when
1247 the pledge is made; the rates, rents, fees and charges and other
1248 revenues or other moneys so pledged and thereafter received by the
1249 board shall immediately be subject to the lien of any such pledge,
1250 without any physical delivery thereof or further act, and the lien of any
1251 such pledge shall be valid and binding as against all parties having
1252 claims of any kind in tort, contract or otherwise against the board,
1253 irrespective of whether such parties have notice thereof. Neither the
1254 resolution nor any trust indenture or agreement by which a pledge is
1255 created need be filed or recorded except in the records of the board.
1256 The use and disposition of moneys to the credit of such sinking or
1257 other similar fund shall be subject to the provisions of the resolution
1258 authorizing the issuance of such bonds or of such trust agreement.
1259 Except as may otherwise be provided in such resolution or such trust

1260 indenture or agreement, such sinking or other similar fund shall be a
1261 fund for all revenue bonds issued to finance a project of such board
1262 without distinction or priority of one over another.

1263 (b) All moneys received by the board pursuant to sections 24 to 38,
1264 inclusive, of this act, whether as proceeds from the sale of bonds or as
1265 revenues, shall be deemed to be trust funds to be held and applied
1266 solely as provided pursuant to this section.

1267 Sec. 29. (NEW) (*Effective from passage*) Any holder of bonds, notes,
1268 certificates or other evidences of borrowing issued pursuant to section
1269 26 of this act or of any of the coupons appertaining thereto and the
1270 trustee under any trust indenture or agreement, except to the extent
1271 the right may be restricted by such trust indenture or agreement, may,
1272 either at law or in equity, by suit, action, injunction, mandamus or
1273 other proceedings, protect and enforce any and all rights under the
1274 provisions of the general statutes or granted by sections 24 to 38,
1275 inclusive, of this act, or under such trust indenture or agreement or the
1276 resolution authorizing the issuance of such bonds, notes or certificates,
1277 and may enforce and compel the performance of all duties required by
1278 said section or by such trust indenture or agreement or solution to be
1279 performed by the Energy Improvement District Board or by any officer
1280 or agent thereof, including the fixing, charging and collection of fees,
1281 rents and other charges.

1282 Sec. 30. (NEW) (*Effective from passage*) An Energy Improvement
1283 District Board, in the exercise of its powers granted pursuant to
1284 sections 24 to 38, inclusive, of this act, shall be for the benefit of the
1285 inhabitants of the state, for the increase of their commerce and for the
1286 promotion of their safety, health, welfare, convenience and prosperity,
1287 and as the operation and maintenance of any project which the board
1288 is authorized to undertake constitute the performance of an essential
1289 governmental function, no board shall be required to pay any taxes or
1290 assessments upon any project acquired and constructed by it under the
1291 provisions of said sections. The bonds, notes, certificates or other
1292 evidences of debt issued pursuant to section 26 of this act, their

1293 transfer and the income therefrom, including any profit made on the
1294 sale thereof, shall at all times be free and exempt from taxation by the
1295 state and by any political subdivision thereof.

1296 Sec. 31. (NEW) (*Effective from passage*) Bonds issued by an Energy
1297 Improvement District Board pursuant to section 26 of this act, shall be
1298 securities in which all public officers and public bodies of the state and
1299 its political subdivisions, all insurance companies, trust companies,
1300 banking associations, investment companies and executors,
1301 administrators, trustees and other fiduciaries may properly and legally
1302 invest funds, including capital in their control or belonging to them.
1303 Such bonds shall be securities that may properly and legally be
1304 deposited with and received by any state or municipal officer or any
1305 agency or political subdivision of the state for any purpose for which
1306 the deposit of bonds or obligations is now or may hereafter be
1307 authorized by law.

1308 Sec. 32. (NEW) (*Effective from passage*) A municipality may, by
1309 ordinance, and any other governmental unit may, without any
1310 referendum or public or competitive bidding, and any person may sell,
1311 lease, lend, grant or convey to an Energy Improvement District Board
1312 or permit a board to use, maintain or operate as part of any distributed
1313 resource facility any real or personal property that may be necessary or
1314 useful and convenient for the purposes of the board and accepted by
1315 the board. Any such sale, lease, loan, grant, conveyance or permit may
1316 be made or given with or without consideration and for a specified or
1317 an unlimited period and under any agreement and on any terms and
1318 conditions that may be approved by such municipality, governmental
1319 unit or person and that may be agreed to by the board in conformity
1320 with its contract with the holders of any bonds. Subject to any such
1321 contracts with the holders of bonds, the board may enter into and
1322 perform any and all agreements with respect to property so purchased,
1323 leased, borrowed, received or accepted by it, including agreements for
1324 the assumption of principal or interest or both of indebtedness of such
1325 municipality, governmental unit or person or of any mortgage or lien
1326 existing with respect to such property or for the operation and

1327 maintenance of such property as part of any energy improvement
1328 district distributed resources facility.

1329 Sec. 33. (NEW) (*Effective from passage*) A municipality, governmental
1330 unit or person may enter into and perform any lease or other
1331 agreement with any Energy Improvement District Board for the lease
1332 or other agreement with any municipality, governmental unit or
1333 person of all or any part of any energy improvement district
1334 distributed resource facility or facilities. Any such lease or other
1335 agreement may provide for the payment to the board by such
1336 municipality, governmental unit or person, annually or otherwise, of
1337 such sum or sums of money, computed at fixed amount or by any
1338 formula or in any other manner, as may be so fixed or computed. Any
1339 such lease or other agreement may be made and entered into for a
1340 term beginning currently or at some future or contingent date and
1341 with or without consideration and for a specified or unlimited time
1342 and on any terms and conditions which may be approved by such
1343 municipality, governmental unit or person and which may be agreed
1344 to by the board in conformity with its contract with the holders of any
1345 bonds, and shall be valid and binding on such municipality,
1346 governmental unit or person whether or not an appropriation is made
1347 thereby prior to authorization or execution of such lease or other
1348 agreement. Such municipality, governmental unit or person shall do
1349 all acts and things necessary, convenient or desirable to carry out and
1350 perform any such lease or other agreement entered into by it and to
1351 provide for the payment or discharge of any obligation thereunder in
1352 the same manner as other obligations of such municipality,
1353 governmental unit or person.

1354 Sec. 34. (NEW) (*Effective from passage*) For the purpose of aiding an
1355 Energy Improvement District Board, a municipality, by ordinance or
1356 by resolution of its legislative body, shall have power from time to
1357 time and for such period and upon such terms, with or without
1358 consideration, as may be provided by such resolution or ordinance and
1359 accepted by the board, (1) to appropriate moneys for the purposes of
1360 the board, and to loan or donate such money to the board in such

1361 installments and upon such terms as may be agreed upon with the
1362 board, (2) to covenant and agree with the board to pay to or on the
1363 order of the board annually or at shorter intervals as a subsidy for the
1364 promotion of its purposes not more than such sums of money as may
1365 be stated in such resolution or ordinance or computed in accordance
1366 therewith, (3) upon authorization by it in accordance with law of the
1367 performance of any act or thing which it is empowered by law to
1368 authorize and perform and after appropriation of the moneys, if any,
1369 necessary for such performance, to covenant and agree with the board
1370 to do and perform such act or thing and as to the time, manner and
1371 other details of its doing and performance, and (4) to appropriate
1372 money for all or any part of the cost of acquisition or construction of
1373 such facility, and, in accordance with the limitations and any
1374 exceptions thereto and in accordance with procedure prescribed by
1375 law, to incur indebtedness, borrow money and issue its negotiable
1376 bonds for the purpose of financing such distributed resource facility
1377 and appropriation, and to pay the proceeds of such bonds to the board.

1378 Sec. 35. (NEW) (*Effective from passage*) For the purpose of aiding an
1379 Energy Improvement District Board in the planning, undertaking,
1380 acquisition, construction or operation of any distributed resource
1381 facility, a participating municipality may, pursuant to resolution
1382 adopted by its legislative body in the manner provided for adoption of
1383 a resolution authorizing bonds of such municipality and with or
1384 without consideration and upon such terms and conditions as may be
1385 agreed to by and between the municipality and the board,
1386 unconditionally guarantee the punctual payment of the principal of
1387 and interest on any bonds of the board and pledge the full faith and
1388 credit of the municipality to the payment thereof. Any guarantee of
1389 bonds of the board made pursuant to this section shall be evidenced by
1390 endorsement thereof on such bonds, executed in the name of the
1391 municipality and on its behalf by such officer thereof as may be
1392 designated in the resolution authorizing such guaranty, and such
1393 municipality shall thereupon and thereafter be obligated to pay the
1394 principal of and interest on said bonds in the same manner and to the

1395 same extent as in the case of bonds issued by it. As part of the
1396 guarantee of the municipality for payment of principal and interest on
1397 the bonds, the municipality may pledge to and agree with the owners
1398 of bonds issued under this chapter and with those persons who may
1399 enter into contracts with the municipality or the board or any
1400 successor agency pursuant to the provisions of this chapter that it will
1401 not limit or alter the rights thereby vested in the bond owners, the
1402 board or any contracting party until such bonds, together with the
1403 interest thereon, are fully met and discharged and such contracts are
1404 fully performed on the part of the municipality or the board, provided
1405 nothing in this subsection shall preclude such limitation or alteration if
1406 and when adequate provisions shall be made by law for the protection
1407 of the owners of such bonds of the municipality or the board or those
1408 entering into such contracts with the municipality or the board. The
1409 board is authorized to include this pledge and undertaking for the
1410 municipality in such bonds or contracts. To the extent provided in
1411 such agreement or agreements, the obligations of the municipality
1412 thereunder shall be obligatory upon the municipality and the
1413 inhabitants and property thereof, and thereafter the municipality shall
1414 appropriate in each year during the term of such agreement, and there
1415 shall be available on or before the date when the same are payable, an
1416 amount of money that, together with other revenue available for such
1417 purpose, shall be sufficient to pay such principal and interest
1418 guaranteed by it and payable thereunder in that year, and there shall
1419 be included in the tax levy for each such year in an amount that,
1420 together with other revenues available for such purpose, shall be
1421 sufficient to meet such appropriation. Any such agreement shall be
1422 valid, binding and enforceable against the municipality if approved by
1423 action of the legislative body of such municipality. Any such guaranty
1424 of bonds of the board may be made, and any resolution authorizing
1425 such guaranty may be adopted, notwithstanding any statutory debt or
1426 other limitations, but the principal amount of bonds so guaranteed
1427 shall, after their issuance, be included in the gross debt of such
1428 municipality for the purpose of determining the indebtedness of such
1429 municipality under subsection (b) of section 7-374 of the general

1430 statutes. The principal amount of bonds so guaranteed and included in
1431 gross debt shall be deducted and is declared to be and to constitute a
1432 deduction from such gross debt under and for all the purposes of
1433 subsection (b) of said section 7-374, (1) from and after the time of
1434 issuance of said bonds until the end of the fiscal year beginning next
1435 after the completion of acquisition and construction of the distributed
1436 resource facility to be financed from the proceeds of such bonds, and
1437 (2) during any subsequent fiscal year if the revenues of the board in the
1438 preceding fiscal year are sufficient to pay its expenses of operation and
1439 maintenance in such year and all amounts payable in such year on
1440 account of the principal and interest on all such guaranteed bonds, all
1441 bonds of the municipality issued as provided in this section and all
1442 bonds of the Energy Improvement District Board issued under section
1443 26 of this act.

1444 Sec. 36. (NEW) (*Effective from passage*) Any Energy Improvement
1445 District Board may pledge or assign any lease or other agreement, and
1446 any instruments making or evidencing the same to secure its bonds
1447 and thereafter may not modify such leases, agreements or instruments
1448 except as provided by the terms of such lease, agreement or
1449 instrument.

1450 Sec. 37. (NEW) (*Effective from passage*) All property of an Energy
1451 Improvement District Board shall be exempt from levy and sale by
1452 virtue of an execution and no execution or other judicial process shall
1453 issue against the same nor shall any judgment against the board be a
1454 charge or lien upon its property, provided nothing in this section shall
1455 apply to or limit the rights of the holder of any bonds to pursue any
1456 remedy for the enforcement of any pledge or lien given by the board
1457 on its facility revenues or other moneys.

1458 Sec. 38. (NEW) (*Effective from passage*) An Energy Improvement
1459 District Board and the municipality in which any property of the board
1460 is located may enter into agreements with respect to the payment by
1461 the board to such municipality of annual sums of money in lieu of
1462 taxes on such property in such amount as may be agreed upon

1463 between the board and the municipality. The board may make, and the
1464 municipality may accept, such payments and apply them in the
1465 manner in which taxes may be applied in such municipality, provided
1466 no such annual payment with respect to any parcel of such property
1467 shall exceed the amount of taxes paid thereon for the taxable year
1468 immediately prior to the time of its acquisition by the board.

1469 Sec. 39. Subsection (b) of section 16-243a of the general statutes is
1470 repealed and the following is substituted in lieu thereof (*Effective*
1471 *October 1, 2007*):

1472 (b) Each electric public service company, municipal electric energy
1473 cooperative and municipal electric utility shall: (1) Purchase any
1474 electrical energy and capacity made available, directly by a private
1475 power producer or indirectly under subdivision (4) of this subsection;
1476 (2) sell backup electricity to any private power producer in its service
1477 territory; (3) make such interconnections in accordance with the
1478 regulations adopted pursuant to subsection (h) of this section
1479 necessary to accomplish such purchases and sales; (4) upon approval
1480 by the Department of Public Utility Control of an application filed by a
1481 willing private power producer, transmit energy or capacity from the
1482 private power producer to any other such company, cooperative or
1483 utility or to another facility operated by the private power producer;
1484 and (5) offer to operate in parallel with a private power producer. In
1485 making a decision on an application filed under subdivision (4) of this
1486 subsection, the department shall consider whether such transmission
1487 would (A) adversely impact the customers of the company,
1488 cooperative or utility which would transmit energy or capacity to the
1489 private power producer, (B) result in an uncompensated loss for, or
1490 unduly burden, such company, cooperative, utility or private power
1491 producer, (C) impair the reliability of service of such company,
1492 cooperative or utility, or (D) impair the ability of the company,
1493 cooperative or utility to provide adequate service to its customers. The
1494 department shall issue a decision on such an application not later than
1495 one hundred twenty days after the application is filed, provided, the
1496 department may, before the end of such period and upon notifying all

1497 parties and intervenors to the proceeding, extend the period by thirty
1498 days. If the department does not issue a decision within one hundred
1499 twenty days after receiving such an application, or within one hundred
1500 fifty days if the department extends the period in accordance with the
1501 provisions of this subsection, the application shall be deemed to have
1502 been approved. The requirements under subdivisions (3), (4) and (5) of
1503 this subsection shall be subject to reasonable standards for operating
1504 safety and reliability and the nondiscriminatory assessment of costs
1505 against private power producers, approved by the Department of
1506 Public Utility Control with respect to electric public service companies
1507 or determined by municipal electric energy cooperatives and
1508 municipal electric utilities.

1509 Sec. 40. Section 16-243a of the general statutes is amended by adding
1510 subsection (h) as follows (*Effective October 1, 2007*):

1511 (NEW) (h) Not later than January 1, 2008, the Department of Public
1512 Utility Control shall issue a final decision regarding interconnection
1513 standards that meet or exceed national standards of interconnectivity.
1514 If the department does not issue a final decision by October 1, 2008,
1515 each electric distribution company, municipal electric energy
1516 cooperative and municipal electric utility shall meet the standards set
1517 forth in Title 4, Chapter 4, Subchapter 9, "Net Metering and
1518 Interconnection Standards for Class I Renewable Energy Systems" of
1519 the New Jersey Administrative Code.

1520 Sec. 41. Subsection (a) of section 16-245n of the general statutes is
1521 repealed and the following is substituted in lieu thereof (*Effective*
1522 *October 1, 2007*):

1523 (a) For purposes of this section, "renewable energy" means solar
1524 photovoltaic energy, solar thermal energy, wind, ocean thermal
1525 energy, wave or tidal energy, fuel cells, landfill gas, hydropower that
1526 meets the low-impact standards of the Low-Impact Hydropower
1527 Institute, hydrogen production and hydrogen conversion technologies,
1528 low emission advanced biomass conversion technologies, alternative

1529 fuel, including ethanol, biodiesel, or other fuel produced in
1530 Connecticut and derived from agricultural produce, food waste or
1531 waste vegetable oil, provided the Commissioner of Environmental
1532 Protection determines that such fuels provide net reductions in carbon
1533 emissions and fossil fuel consumption, usable electricity from
1534 combined heat and power systems with waste heat recovery systems,
1535 thermal storage systems and other energy resources and emerging
1536 technologies which have significant potential for commercialization
1537 and which do not involve the combustion of coal, petroleum or
1538 petroleum products, municipal solid waste or nuclear fission.

1539 Sec. 42. Section 16-243h of the general statutes is repealed and the
1540 following is substituted in lieu thereof (*Effective October 1, 2007*):

1541 On and after January 1, 2000, each electric supplier or any electric
1542 distribution company providing standard offer, transitional standard
1543 offer, standard service or back-up electric generation service, pursuant
1544 to section 16-244c, as amended by this act, shall give a credit for any
1545 electricity generated by a [residential] customer from a Class I
1546 renewable energy source or a hydropower facility when such
1547 renewable energy source or hydropower facility has a nameplate
1548 capacity rating of two megawatts or less. The electric distribution
1549 company providing electric distribution services to such a customer
1550 shall make such interconnections necessary to accomplish such
1551 purpose. An electric distribution company, at the request of any
1552 residential customer served by such company and if necessary to
1553 implement the provisions of this section, shall provide for the
1554 installation of metering equipment that (1) measures electricity
1555 consumed by such customer from the facilities of the electric
1556 distribution company, (2) deducts from the measurement the amount
1557 of electricity produced by the customer and not consumed by the
1558 customer, and (3) registers, for each billing period, the net amount of
1559 electricity either (A) consumed and produced by the customer, or (B)
1560 the net amount of electricity produced by the customer. If, in a given
1561 monthly billing period, a customer-generator supplies more electricity
1562 to the electric distribution system than the electric distribution

1563 company or electric supplier delivers to the customer-generator, the
1564 electric distribution company and electric supplier shall credit the
1565 customer-generator for the excess by reducing the customer-
1566 generator's bill for the next monthly billing period to compensate for
1567 the excess electricity from the customer-generator in the previous
1568 billing period. The electric distribution company and electric supplier
1569 shall carry over credit earned from monthly billing period to monthly
1570 billing period, and the credit shall accumulate until the end of the
1571 annualized period. At the end of each annualized period, the electric
1572 distribution company and electric supplier shall compensate the
1573 customer-generator for any excess kilowatt-hours generated, by
1574 paying to the customer-generator amounts in accordance with the
1575 company's Department of Public Utility Control approved nonfirm
1576 self-generator power purchase tariff. A [residential] customer who
1577 generates electricity from a generating unit with a name plate capacity
1578 of more than ten kilowatts of electricity pursuant to the provisions of
1579 this section shall be assessed for the competitive transition assessment,
1580 pursuant to section 16-245g and the systems benefits charge, pursuant
1581 to section 16-245l based on the amount of electricity consumed by the
1582 customer from the facilities of the electric distribution company
1583 without netting any electricity produced by the customer. For
1584 purposes of this section, "residential customer" means a customer of a
1585 single-family dwelling or multifamily dwelling consisting of two to
1586 four units. Electric distribution companies shall recover their net costs
1587 associated with payments pursuant to this section through
1588 nonbypassable federally mandated congestion charges.

1589 Sec. 43. Section 16-245a of the general statutes is repealed and the
1590 following is substituted in lieu thereof (*Effective October 1, 2007*):

1591 (a) [On and after January 1, 2006, an] An electric supplier and an
1592 electric distribution company providing standard service or supplier of
1593 last resort service, pursuant to section 16-244c, as amended by this act,
1594 shall demonstrate;

1595 (1) On and after January 1, 2006, that not less than two per cent of

1596 the total output or services of any such supplier or distribution
1597 company shall be generated from Class I renewable energy sources
1598 and an additional three per cent of the total output or services shall be
1599 from Class I or Class II renewable energy sources; [.]

1600 (2) On and after January 1, 2007, not less than three and one-half per
1601 cent of the total output or services of any such supplier or distribution
1602 company shall be generated from Class I renewable energy sources
1603 and an additional three per cent of the total output or services shall be
1604 from Class I or Class II renewable energy sources; [.]

1605 (3) On and after January 1, 2008, not less than five per cent of the
1606 total output or services of any such supplier or distribution company
1607 shall be generated from Class I renewable energy sources and an
1608 additional three per cent of the total output or services shall be from
1609 Class I or Class II renewable energy sources; [.]

1610 (4) On and after January 1, 2009, not less than six per cent of the
1611 total output or services of any such supplier or distribution company
1612 shall be generated from Class I renewable energy sources and an
1613 additional three per cent of the total output or services shall be from
1614 Class I or Class II renewable energy sources; [.]

1615 (5) On and after January 1, 2010, not less than seven per cent of the
1616 total output or services of any such supplier or distribution company
1617 shall be generated from Class I renewable energy sources and an
1618 additional three per cent of the total output or services shall be from
1619 Class I or Class II renewable energy sources;

1620 (6) On and after January 1, 2011, not less than eight per cent of the
1621 total output or services of any such supplier or distribution company
1622 shall be generated from Class I renewable energy sources and an
1623 additional three per cent of the total output or services shall be from
1624 Class I or Class II renewable energy sources;

1625 (7) On and after January 1, 2012, not less than nine per cent of the
1626 total output or services of any such supplier or distribution company

1627 shall be generated from Class I renewable energy sources and an
1628 additional three per cent of the total output or services shall be from
1629 Class I or Class II renewable energy sources;

1630 (8) On and after January 1, 2013, not less than ten per cent of the
1631 total output or services of any such supplier or distribution company
1632 shall be generated from Class I renewable energy sources and an
1633 additional three per cent of the total output or services shall be from
1634 Class I or Class II renewable energy sources;

1635 (9) On and after January 1, 2014, not less than eleven per cent of the
1636 total output or services of any such supplier or distribution company
1637 shall be generated from Class I renewable energy sources and an
1638 additional three per cent of the total output or services shall be from
1639 Class I or Class II renewable energy sources;

1640 (10) On and after January 1, 2015, not less than twelve and one-half
1641 per cent of the total output or services of any such supplier or
1642 distribution company shall be generated from Class I renewable
1643 energy sources and an additional three per cent of the total output or
1644 services shall be from Class I or Class II renewable energy sources;

1645 (11) On and after January 1, 2016, not less than fourteen per cent of
1646 the total output or services of any such supplier or distribution
1647 company shall be generated from Class I renewable energy sources
1648 and an additional three per cent of the total output or services shall be
1649 from Class I or Class II renewable energy sources;

1650 (12) On and after January 1, 2017, not less than fifteen and one-half
1651 per cent of the total output or services of any such supplier or
1652 distribution company shall be generated from Class I renewable
1653 energy sources and an additional three per cent of the total output or
1654 services shall be from Class I or Class II renewable energy sources;

1655 (13) On and after January 1, 2018, not less than seventeen per cent of
1656 the total output or services of any such supplier or distribution
1657 company shall be generated from Class I renewable energy sources

1658 and an additional three per cent of the total output or services shall be
1659 from Class I or Class II renewable energy sources;

1660 (14) On and after January 1, 2019, not less than nineteen and one-
1661 half per cent of the total output or services of any such supplier or
1662 distribution company shall be generated from Class I renewable
1663 energy sources and an additional three per cent of the total output or
1664 services shall be from Class I or Class II renewable energy sources;

1665 (15) On and after January 1, 2020, not less than twenty per cent of
1666 the total output or services of any such supplier or distribution
1667 company shall be generated from Class I renewable energy sources
1668 and an additional three per cent of the total output or services shall be
1669 from Class I or Class II renewable energy sources.

1670 (b) An electric supplier or electric distribution company may satisfy
1671 the requirements of this section (1) by purchasing certificates issued by
1672 the New England Power Pool Generation Information System,
1673 provided the certificates are for (A) energy produced by a generating
1674 unit using Class I or Class II renewable energy sources and the
1675 generating unit is located in the jurisdiction of the regional
1676 independent system operator, or (B) energy imported into the control
1677 area of the regional independent system operator pursuant to New
1678 England Power Pool Generation Information System Rule 2.7(c), as in
1679 effect on January 1, 2006; [or] (2) for those renewable energy
1680 certificates under contract to serve end-use customers in the state on or
1681 before October 1, 2006, by participating in a renewable energy trading
1682 program within said jurisdictions as approved by the Department of
1683 Public Utility Control; or (3) by purchasing electricity from residential
1684 customers who are net producers.

1685 (c) Any supplier who provides electric generation services solely
1686 from a Class II renewable energy source shall not be required to
1687 comply with the provisions of this section.

1688 (d) An electric supplier or an electric distribution company shall
1689 base its demonstration of generation sources, as required under

1690 subsection (a) of this section on historical data, which may consist of
1691 data filed with the regional independent system operator.

1692 (e) (1) A supplier or an electric distribution company may make up
1693 any deficiency within its renewable energy portfolio within the first
1694 three months of the succeeding calendar year or as otherwise provided
1695 by generation information system operating rules approved by New
1696 England Power Pool or its successor to meet the generation source
1697 requirements of subsection (a) of this section for the previous year.

1698 (2) No such supplier or electric distribution company shall receive
1699 credit for the current calendar year for generation from Class I or Class
1700 II renewable energy sources pursuant to this section where such
1701 supplier or distribution company receives credit for the preceding
1702 calendar year pursuant to subdivision (1) of this subsection.

1703 (f) The department shall adopt regulations, in accordance with the
1704 provisions of chapter 54, to implement the provisions of this section.

1705 Sec. 44. (NEW) (*Effective July 1, 2007*) (a) A municipal electric energy
1706 cooperative, created pursuant to chapter 101a of the general statutes,
1707 shall submit a comprehensive report on the activities of the municipal
1708 electric utilities with regard to promotion of renewable energy
1709 resources. Such report shall identify the standards and activities of
1710 municipal electric utilities in the promotion, encouragement and
1711 expansion of the deployment and use of renewable energy sources
1712 within the service areas of the municipal electric utilities for the prior
1713 calendar year. The cooperative shall submit the report to the
1714 Renewable Energy Investment Advisory Committee established
1715 pursuant to section 16-245n of the general statutes, as amended by this
1716 act, not later than ninety days after the end of each calendar year that
1717 describes the activities undertaken pursuant to this subsection during
1718 the previous calendar year for the promotion and development of
1719 renewable energy sources for all electric customer classes.

1720 (b) Such cooperative shall develop standards for the promotion of
1721 renewable resources that apply to each municipal electric utility. On or

1722 before January 1, 2008, and annually thereafter, such cooperative shall
1723 submit such standards to the Renewable Energy Investment Advisory
1724 Committee.

1725 Sec. 45. (NEW) (*Effective from passage*) (a) Notwithstanding the
1726 provisions of title 16 of the general statutes, a customer who
1727 implements energy conservation or customer-side distributed
1728 resources, as defined in section 16-1 of the general statutes, as
1729 amended by this act, on or after January 1, 2008, shall be eligible for
1730 Class III credits, pursuant to section 16-243q of the general statutes, as
1731 amended by this act. The Class III credit shall be not less than one cent
1732 per kilowatt hour. For nonresidential projects receiving conservation
1733 and load management funding, twenty-five per cent of the financial
1734 value derived from the credits earned pursuant to this section shall be
1735 directed to the customer who implements energy conservation or
1736 customer-side distribution resources pursuant to this section with the
1737 remainder of the financial value directed to the Conservation and Load
1738 Management Funds. For nonresidential projects not receiving
1739 conservation and load management funding submitted on or after
1740 March 9, 2007, seventy-five per cent of the financial value derived from
1741 the credits earned pursuant to this section shall be directed to the
1742 customer who implements energy conservation or customer-side
1743 distribution resources pursuant to this section with the remainder of
1744 the financial value directed to the Conservation and Load
1745 Management Funds. Not later than July 1, 2007, the Department of
1746 Public Utility Control shall initiate a contested case proceeding in
1747 accordance with the provisions of chapter 54 of the general statutes, to
1748 implement the provisions of this section.

1749 (b) In order to be eligible for ongoing Class III credits, the customer
1750 shall file an application that contains information necessary for the
1751 department to determine that the resource qualifies for Class III status.
1752 Such application shall (1) certify that installation and metering
1753 requirements have been met where appropriate, (2) provide a detailed
1754 energy savings or energy output calculation for such time period as
1755 specified by the department, and (3) include any other information

1756 that the department deems appropriate.

1757 (c) For conservation and load management projects that serve
1758 residential customers, seventy-five per cent of the financial value
1759 derived from the credits shall be directed to the Conservation and
1760 Load Management Funds.

1761 (d) On or before January 1, 2009, the Department of Public Utility
1762 Control shall report to the joint standing committee of the General
1763 Assembly having cognizance of matters relating to energy on the Class
1764 III credit program pursuant to this section.

1765 Sec. 46. Section 16-243q of the general statutes is repealed and the
1766 following is substituted in lieu thereof (*Effective October 1, 2007*):

1767 (a) On and after January 1, 2007, each electric distribution company
1768 providing standard service pursuant to section 16-244c, as amended by
1769 this act, and each electric supplier as defined in section 16-1, as
1770 amended by this act, shall demonstrate to the satisfaction of the
1771 Department of Public Utility Control that not less than one per cent of
1772 the total output of such supplier or such standard service of an electric
1773 distribution company shall be obtained from Class III [resources]
1774 sources. On and after January 1, 2008, not less than two per cent of the
1775 total output of any such supplier or such standard service of an electric
1776 distribution company shall, on demonstration satisfactory to the
1777 Department of Public Utility Control, be obtained from Class III
1778 [resources] sources. On or after January 1, 2009, not less than three per
1779 cent of the total output of any such supplier or such standard service of
1780 an electric distribution company shall, on demonstration satisfactory to
1781 the Department of Public Utility Control, be obtained from Class III
1782 [resources] sources. On and after January 1, 2010, not less than four per
1783 cent of the total output of any such supplier or such standard service of
1784 an electric distribution company shall, on demonstration satisfactory to
1785 the Department of Public Utility Control, be obtained from Class III
1786 [resources] sources. Electric power obtained from customer-side
1787 distributed resources that does not meet air and water quality

1788 standards of the Department of Environmental Protection is not
1789 eligible for purposes of meeting the percentage standards in this
1790 section.

1791 (b) Except as provided in subsection (d) of this section, the
1792 Department of Public Utility Control shall assess each electric supplier
1793 and each electric distribution company that fails to meet the
1794 percentage standards of subsection (a) of this section a charge of up to
1795 five and five-tenths cents for each kilowatt hour of electricity that such
1796 supplier or company is deficient in meeting such percentage
1797 standards. Seventy-five per cent of such assessed charges shall be
1798 deposited in the Energy Conservation and Load Management Fund
1799 established in section 16-245m, and twenty-five per cent shall be
1800 deposited in the Renewable Energy Investment Fund established in
1801 section 16-245n, as amended by this act, except that such seventy-five
1802 per cent of assessed charges with respect to an electric supplier shall be
1803 divided among the Energy Conservation and Load Management
1804 Funds of electric distribution companies in proportion to the amount
1805 of electricity such electric supplier provides to end use customers in
1806 the state using the facilities of each electric distribution company.

1807 (c) An electric supplier or electric distribution company may satisfy
1808 the requirements of this section by participating in a conservation and
1809 distributed resources trading program approved by the Department of
1810 Public Utility Control. Credits created by conservation and customer-
1811 side distributed resources shall be allocated to the person that
1812 conserved the electricity or installed the project for customer-side
1813 distributed resources to which the credit is attributable and to the
1814 Energy Conservation and Load Management Fund. Such credits shall
1815 be made in the following manner: A minimum of twenty-five per cent
1816 of the credits shall be allocated to the person that conserved the
1817 electricity or installed the project for customer-side distributed
1818 resources to which the energy credit is attributable and the remainder
1819 of the credits shall be allocated to the Energy Conservation and Load
1820 Management Fund, based on a schedule created by the department no
1821 later than January 1, 2007, and reviewed annually thereafter. The

1822 department may, in a proceeding and for good cause shown, allocate a
1823 larger proportion of such credits to the person who conserved the
1824 electricity or installed the customer-side distributed resources. The
1825 department shall consider the proportion of investment made by a
1826 ratepayer through various ratepayer-funded incentive programs and
1827 the resulting reduction in federally mandated congestion charges. The
1828 portion allocated to the Energy Conservation and Load Management
1829 Fund shall be used for measures that respond to energy demand and
1830 for peak reduction programs.

1831 (d) An electric distribution company providing standard service
1832 may contract with its wholesale suppliers to comply with the
1833 conservation and customer-side distributed resources standards set
1834 forth in subsection (a) of this section. The Department of Public Utility
1835 Control shall annually conduct a contested case, in accordance with the
1836 provisions of chapter 54, to determine whether the electric distribution
1837 company's wholesale suppliers met the conservation and distributed
1838 resources standards during the preceding year. Any such contract shall
1839 include a provision that requires such supplier to pay the electric
1840 distribution company in an amount of up to five and one-half cents per
1841 kilowatt hour if the wholesale supplier fails to comply with the
1842 conservation and distributed resources standards during the subject
1843 annual period. The electric distribution company shall immediately
1844 transfer seventy-five per cent of any payment received from the
1845 wholesale supplier for the failure to meet the conservation and
1846 distributed resources standards to the Energy Conservation and Load
1847 Management Fund and twenty-five per cent to the Renewable Energy
1848 Investment Fund. Any payment made pursuant to this section shall
1849 not be considered revenue or income to the electric distribution
1850 company.

1851 (e) The Department of Public Utility Control shall conduct a
1852 contested proceeding to develop the administrative processes and
1853 program specifications that are necessary to implement a Class III
1854 sources conservation and distributed resources trading program. The
1855 proceeding shall include, but not be limited to, an examination of

1856 issues such as (1) the manner in which qualifying activities are
1857 certified, tracked and reported, (2) the manner in which Class III
1858 certificates are created, accounted for and transferred, [(3) the
1859 feasibility and benefits of expanding eligible Class III resources to
1860 include those resulting from electricity savings made by residential
1861 customers, (4)] (3) verification of the accuracy of conservation and
1862 customer-side distributed resources credits, [(5)] (4) verification of the
1863 fact that resources or credits used to satisfy the requirement of this
1864 section have not been used to satisfy any other portfolio or similar
1865 requirement, [(6)] (5) the manner in which credits created by
1866 conservation and customer-side distributed resources may best be
1867 allocated to maximize the impact of the trading program, and [(7)] (6)
1868 setting such alternative payment amounts at a level that encourages
1869 development of conservation and customer-side distributed resources.
1870 The department may retain the services of a third party entity with
1871 expertise in the development of energy efficiency trading or
1872 verification programs to assist in the development and operation of the
1873 program. The department shall issue a decision no later than February
1874 1, [2006] 2008.

1875 Sec. 47. Subdivision (44) of subsection (a) of section 16-1 of the
1876 general statutes is repealed and the following is substituted in lieu
1877 thereof (*Effective from passage*):

1878 (44) "Class III [renewable energy] source" means the electricity
1879 output from combined heat and power systems with an operating
1880 efficiency level of no less than fifty per cent that are part of customer-
1881 side distributed resources developed at commercial and industrial
1882 facilities in this state on or after January 1, 2006, a waste heat recovery
1883 system installed on or after April 1, 2007, that produces electrical or
1884 thermal energy by capturing preexisting waste heat or pressure from
1885 industrial or commercial processes, or the electricity savings created at
1886 commercial and industrial facilities and residences in this state from
1887 conservation and load management programs begun on or after
1888 January 1, 2006.

1889 Sec. 48. Subsection (a) of section 22a-6 of the general statutes is
1890 repealed and the following is substituted in lieu thereof (*Effective*
1891 *October 1, 2007*):

1892 (a) The commissioner may: (1) Adopt, amend or repeal, in
1893 accordance with the provisions of chapter 54, such environmental
1894 standards, criteria and regulations, and such procedural regulations as
1895 are necessary and proper to carry out his functions, powers and duties;
1896 (2) enter into contracts with any person, firm, corporation or
1897 association to do all things necessary or convenient to carry out the
1898 functions, powers and duties of the department; (3) initiate and receive
1899 complaints as to any actual or suspected violation of any statute,
1900 regulation, permit or order administered, adopted or issued by him.
1901 The commissioner shall have the power to hold hearings, administer
1902 oaths, take testimony and subpoena witnesses and evidence, enter
1903 orders and institute legal proceedings including, but not limited to,
1904 suits for injunctions, for the enforcement of any statute, regulation,
1905 order or permit administered, adopted or issued by him; (4) in
1906 accordance with regulations adopted by him, require, issue, renew,
1907 revoke, modify or deny permits, under such conditions as he may
1908 prescribe, governing all sources of pollution in Connecticut within his
1909 jurisdiction; (5) in accordance with constitutional limitations, enter at
1910 all reasonable times, without liability, upon any public or private
1911 property, except a private residence, for the purpose of inspection and
1912 investigation to ascertain possible violations of any statute, regulation,
1913 order or permit administered, adopted or issued by him and the
1914 owner, managing agent or occupant of any such property shall permit
1915 such entry, and no action for trespass shall lie against the
1916 commissioner for such entry, or he may apply to any court having
1917 criminal jurisdiction for a warrant to inspect such premises to
1918 determine compliance with any statute, regulation, order or permit
1919 administered, adopted or enforced by him, provided any information
1920 relating to secret processes or methods of manufacture or production
1921 ascertained by the commissioner during, or as a result of, any
1922 inspection, investigation, hearing or otherwise shall be kept

1923 confidential and shall not be disclosed except that, notwithstanding the
1924 provisions of subdivision (5) of subsection (b) of section 1-210, such
1925 information may be disclosed by the commissioner to the United States
1926 Environmental Protection Agency pursuant to the federal Freedom of
1927 Information Act of 1976, (5 USC 552) and regulations adopted
1928 thereunder or, if such information is submitted after June 4, 1986, to
1929 any person pursuant to the federal Clean Water Act (33 USC 1251 et
1930 seq.); (6) undertake any studies, inquiries, surveys or analyses he may
1931 deem relevant, through the personnel of the department or in
1932 cooperation with any public or private agency, to accomplish the
1933 functions, powers and duties of the commissioner; (7) require the
1934 posting of sufficient performance bond or other security to assure
1935 compliance with any permit or order; (8) provide by notice printed on
1936 any form that any false statement made thereon or pursuant thereto is
1937 punishable as a criminal offense under section 53a-157b; (9) construct
1938 or repair or contract for the construction or repair of any dam or flood
1939 and erosion control system under his control and management, make
1940 or contract for the making of any alteration, repair or addition to any
1941 other real asset under his control and management, including rented
1942 or leased premises, involving an expenditure of five hundred thousand
1943 dollars or less, and, with prior approval of the Commissioner of Public
1944 Works, make or contract for the making of any alteration, repair or
1945 addition to such other real asset under his control and management
1946 involving an expenditure of more than five hundred thousand dollars
1947 but not more than one million dollars; (10) in consultation with
1948 affected town and watershed organizations, enter into a lease
1949 agreement with a private entity owning a facility constructed on or
1950 before January 1, 2007, to allow the private entity to generate
1951 hydroelectricity provided the project meets the certification standards
1952 of the Low Impact Hydropower Institute; (11) by regulations adopted
1953 in accordance with the provisions of chapter 54, require the payment
1954 of a fee sufficient to cover the reasonable cost of the search, duplication
1955 and review of records requested under the Freedom of Information
1956 Act, as defined in section 1-200, and the reasonable cost of reviewing
1957 and acting upon an application for and monitoring compliance with

1958 the terms and conditions of any state or federal permit, license,
1959 registration, order, certificate or approval required pursuant to
1960 subsection (i) of section 22a-39, subsections (c) and (d) of section 22a-
1961 96, subsections (h), (i) and (k) of section 22a-424, and sections 22a-6d,
1962 22a-32, 22a-134a, 22a-134e, 22a-135, 22a-148, 22a-150, 22a-174, 22a-208,
1963 22a-208a, 22a-209, 22a-342, 22a-345, 22a-354i, 22a-361, 22a-363c, 22a-
1964 368, 22a-372, 22a-379, 22a-403, 22a-409, 22a-416, 22a-428 to 22a-432,
1965 inclusive, 22a-449 and 22a-454 to 22a-454c, inclusive, and Section 401 of
1966 the federal Clean Water Act, (33 USC 1341). Such costs may include,
1967 but are not limited to the costs of (A) public notice, (B) reviews,
1968 inspections and testing incidental to the issuance of and monitoring of
1969 compliance with such permits, licenses, orders, certificates and
1970 approvals, and (C) surveying and staking boundary lines. The
1971 applicant shall pay the fee established in accordance with the
1972 provisions of this section prior to the final decision of the
1973 commissioner on the application. The commissioner may postpone
1974 review of an application until receipt of the payment. Payment of a fee
1975 for monitoring compliance with the terms or conditions of a permit
1976 shall be at such time as the commissioner deems necessary and is
1977 required for an approval to remain valid; and [(11)] (12) by regulations
1978 adopted in accordance with the provisions of chapter 54, require the
1979 payment of a fee sufficient to cover the reasonable cost of responding
1980 to requests for information concerning the status of real estate with
1981 regard to compliance with environmental statutes, regulations, permits
1982 or orders. Such fee shall be paid by the person requesting such
1983 information at the time of the request. Funds not exceeding two
1984 hundred thousand dollars received by the commissioner pursuant to
1985 subsection (g) of section 22a-174, during the fiscal year ending June 30,
1986 1985, shall be deposited in the General Fund and credited to the
1987 appropriations of the Department of Environmental Protection in
1988 accordance with the provisions of section 4-86, and such funds shall
1989 not lapse until June 30, 1986. In any action brought against any
1990 employee of the department acting within his scope of delegated
1991 authority in performing any of the above-listed duties, the employee
1992 shall be represented by the Attorney General.

1993 Sec. 49. Section 16-243i of the general statutes is repealed and the
1994 following is substituted in lieu thereof (*Effective October 1, 2007*):

1995 (a) The Department of Public Utility Control shall, not later than
1996 January 1, 2006, establish a program to grant awards to retail end use
1997 customers of electric distribution companies to fund the capital costs of
1998 obtaining projects of customer-side distributed resources, as defined in
1999 section 16-1. Any project shall receive a one-time, nonrecurring award,
2000 [in an amount of not less than two hundred dollars and not more than
2001 five hundred] In calendar year 2008, such awards shall be in an
2002 amount of not less than one hundred fifty dollars and not more than
2003 four hundred fifty dollars per kilowatt of capacity for such customer-
2004 side distributed resources, recoverable from federally mandated
2005 congestion charges, as defined in section 16-1, as amended by this act.
2006 In calendar year 2009, such awards shall be in an amount of not less
2007 than one hundred dollars and not more than four hundred dollars per
2008 kilowatt of capacity for such customer-side distributed resources. In
2009 calendar year 2010, such awards shall be in an amount of not less than
2010 fifty dollars and not more than three hundred fifty dollars per kilowatt
2011 of capacity for such customer-side distributed resources. No such
2012 grants shall be awarded after December 31, 2010. No such award may
2013 be made unless the projected reduction in federally mandated
2014 congestion charges attributed to the project for such distributed
2015 resources is greater than the amount of the award. The amount of an
2016 award shall depend on the impact that the customer-side distributed
2017 resources project has on reducing federally mandated congestion
2018 charges, as defined in section 16-1, as amended by this act. On and
2019 after January 1, 2008, the department shall only grant an award for
2020 capacity that exceeds a customer's peak demand during the thirty-six
2021 months prior to its application if it finds that an award for such
2022 additional capacity provides sufficient net benefits to other customers
2023 of the electric distribution company to justify making such additional
2024 award. In making its determination, the department shall consider the
2025 cost of the award and the projected reduction in the company's cost for
2026 energy, installed capacity, forward reserve capacity, locational forward

2027 reserve capacity and other factors the department deems relevant. Not
2028 later than October 1, 2005, the department shall conduct a contested
2029 case proceeding, in accordance with chapter 54, to establish additional
2030 standards for the amount of such awards and additional criteria and
2031 the process for making such awards.

2032 (b) The Department of Public Utility Control shall, not later than
2033 January 1, 2006, establish a program to grant to an electric distribution
2034 company a one-time, nonrecurring award to educate, assist and
2035 promote investments in customer-side distributed resources
2036 developed in such company's service territory, which resources the
2037 department determines will reduce federally mandated congestion
2038 charges, in accordance with the following: (1) [On] For projects
2039 proposed on or before January 1, 2008, two hundred dollars per
2040 kilowatt of such resources, (2) for projects proposed on or before
2041 January 1, 2009, [one hundred fifty] seventy-five dollars per kilowatt of
2042 such resources, (3) for projects proposed on or before January 1, 2010,
2043 [one hundred] fifty dollars per kilowatt of such resources, and (4)
2044 [fifty] ten dollars per kilowatt of such resources for projects proposed
2045 thereafter. Payment of the award shall be made at the time each such
2046 resource becomes operational. The cost of the award shall be
2047 recoverable from federally mandated congestion charges. Revenues
2048 from such awards shall not be included in calculating the electric
2049 distribution company's earnings for the purpose of determining
2050 whether its rates are just and reasonable under sections 16-19, 16-19a
2051 and 16-19e.

2052 Sec. 50. Subdivision (57) of section 12-81 of the general statutes is
2053 repealed and the following is substituted in lieu thereof (*Effective*
2054 *October 1, 2007, and applicable to assessment years commencing on or after*
2055 *October 1, 2007*):

2056 (57) (a) [Subject to authorization of the exemption by ordinance in
2057 any municipality, any] Any Class I renewable energy source, as
2058 defined in section 16-1, as amended by this act, or any hydropower
2059 facility described in subdivision (27) of said section 16-1, installed for

2060 the generation of electricity for private residential use, provided such
2061 installation occurs on or after October 1, 1977, and further provided
2062 such installation is for a single family dwelling or multifamily
2063 dwelling consisting of two to four units, or any passive or active solar
2064 water or space heating system or geothermal energy resource;

2065 (b) Any person claiming the exemption provided in this subdivision
2066 for any assessment year shall, on or before the first day of November
2067 in such assessment year, file with the assessor or board of assessors in
2068 the town in which such hydropower facility, Class I renewable energy
2069 source, or passive or active solar water or space heating system or
2070 geothermal energy resource is located, written application claiming
2071 such exemption. Failure to file such application in the manner and
2072 form as provided by such assessor or board within the time limit
2073 prescribed shall constitute a waiver of the right to such exemption for
2074 such assessment year. Such application shall not be required for any
2075 assessment year following that for which the initial application is filed,
2076 provided if such hydropower facility, Class I renewable energy source,
2077 or passive or active solar water or space heating system or geothermal
2078 energy resource is altered in a manner which would require a building
2079 permit, such alteration shall be deemed a waiver of the right to such
2080 exemption until a new application, applicable with respect to such
2081 altered source, is filed and the right to such exemption is established as
2082 required initially.

2083 Sec. 51. Subdivision (63) of section 12-81 of the general statutes is
2084 repealed and the following is substituted in lieu thereof (*Effective*
2085 *October 1, 2007, and applicable to assessment years commencing on or after*
2086 *October 1, 2007*):

2087 (63) (a) Subject to authorization of the exemption by ordinance in
2088 any municipality and to the provisions of subparagraph (b) of this
2089 subdivision, [any solar energy electricity generating system which is
2090 not eligible for exemption under subdivision (57) of this section,] any
2091 cogeneration system [, or both,] installed on or after July 1, 1981. [,and
2092 before October 1, 2006.] The ordinance shall establish the number of

2093 years that a system will be exempt from taxation, except that it may
2094 not provide for an exemption beyond the first fifteen assessment years
2095 following the installation of a system. The ordinance shall prohibit the
2096 exemption from applying to additions to resources recovery facilities
2097 operating on October 1, 1994, or to resources recovery facilities
2098 constructed on and after that date and may prohibit the exemption
2099 from applying to property acquired by eminent domain for the
2100 purpose of qualifying for the exemption;

2101 (b) As used in this subdivision, [(A) "solar energy electricity
2102 generating system" means equipment which is designed, operated and
2103 installed as a system which utilizes solar energy as the energy source
2104 for at least seventy-five per cent of the electricity produced by the
2105 system and meets the standards established by regulation, in
2106 accordance with the provisions of chapter 54, by the Secretary of the
2107 Office of Policy and Management, and (B)] "cogeneration system"
2108 means equipment which is designed, operated and installed as a
2109 system which produces, in the same process, electricity and exhaust
2110 steam, waste steam, heat or other resultant thermal energy which is
2111 used for space or water heating or cooling, industrial, commercial,
2112 manufacturing or other useful purposes and which meets standards
2113 established by regulation, in accordance with the provisions of chapter
2114 54, by the Secretary of the Office of Policy and Management;

2115 (c) Any municipality which adopts an ordinance authorizing an
2116 exemption provided by this subdivision may enter into a written
2117 agreement with an applicant for the exemption, which may require the
2118 applicant to make payments to the municipality in lieu of taxes. The
2119 agreement may vary the amount of the payments in lieu of taxes in
2120 each assessment year of the agreement, provided the payment in any
2121 assessment year is not greater than the taxes which would otherwise
2122 be due in the absence of the exemption. Any agreement negotiated
2123 under this subdivision shall be submitted to the legislative body of the
2124 municipality for its approval or rejection;

2125 (d) Any person claiming the exemption provided in this subdivision

2126 for any assessment year and whose application has been approved in
2127 accordance with subparagraph (c) of this subdivision shall, on or
2128 before the first day of November in such assessment year, file with the
2129 assessor or board of assessors in the town in which the system is
2130 located written application claiming the exemption. Failure to file the
2131 application in the manner and form as provided by such assessor or
2132 board within the time limit prescribed shall constitute a waiver of the
2133 right to the exemption for such assessment year. Such application shall
2134 not be required for any assessment year following that for which the
2135 initial application is filed, provided if such [solar energy electricity
2136 generating system or] cogeneration system is altered in a manner
2137 which would require a building permit, such alteration shall be
2138 deemed a waiver of the right to such exemption until a new
2139 application, applicable with respect to such altered system, is filed and
2140 the right to such exemption is established as required initially.

2141 Sec. 52. Section 20-340 of the general statutes is repealed and the
2142 following is substituted in lieu thereof (*Effective from passage*):

2143 The provisions of this chapter shall not apply to: (1) Persons
2144 employed by any federal, state or municipal agency; (2) employees of
2145 any public service company regulated by the Department of Public
2146 Utility Control or of any corporate affiliate of any such company when
2147 the work performed by such affiliate is on behalf of a public service
2148 company, but in either case only if the work performed is in
2149 connection with the rendition of public utility service, including the
2150 installation or maintenance of wire for community antenna television
2151 service, or is in connection with the installation or maintenance of wire
2152 or telephone sets for single-line telephone service located inside the
2153 premises of a consumer; (3) employees of any municipal corporation
2154 specially chartered by this state; (4) employees of any contractor while
2155 such contractor is performing electrical-line or emergency work for
2156 any public service company; (5) persons engaged in the installation,
2157 maintenance, repair and service of electrical or other appliances of a
2158 size customarily used for domestic use where such installation
2159 commences at an outlet receptacle or connection previously installed

2160 by persons licensed to do the same and maintenance, repair and
2161 service is confined to the appliance itself and its internal operation; (6)
2162 employees of industrial firms whose main duties concern the
2163 maintenance of the electrical work, plumbing and piping work, solar
2164 thermal work, heating, piping, cooling work, sheet metal work,
2165 elevator installation, repair and maintenance work, automotive glass
2166 work or flat glass work of such firm on its own premises or on
2167 premises leased by it for its own use; (7) employees of industrial firms
2168 when such employees' main duties concern the fabrication of glass
2169 products or electrical, plumbing and piping, fire protection sprinkler
2170 systems, solar, heating, piping, cooling, chemical piping, sheet metal or
2171 elevator installation, repair and maintenance equipment used in the
2172 production of goods sold by industrial firms, except for products,
2173 electrical, plumbing and piping systems and repair and maintenance
2174 equipment used directly in the production of a product for human
2175 consumption; (8) persons performing work necessary to the
2176 manufacture or repair of any apparatus, appliances, fixtures,
2177 equipment or devices produced by it for sale or lease; (9) employees of
2178 stage and theatrical companies performing the operation, installation
2179 and maintenance of electrical equipment if such installation
2180 commences at an outlet receptacle or connection previously installed
2181 by persons licensed to make such installation; (10) employees of
2182 carnivals, circuses or similar transient amusement shows who install
2183 electrical work, provided such installation shall be subject to the
2184 approval of the State Fire Marshal prior to use as otherwise provided
2185 by law and shall comply with applicable municipal ordinances and
2186 regulations; (11) persons engaged in the installation, maintenance,
2187 repair and service of glass or electrical, plumbing, fire protection
2188 sprinkler systems, solar, heating, piping, cooling and sheet metal
2189 equipment in and about single-family residences owned and occupied
2190 or to be occupied by such persons; provided any such installation,
2191 maintenance and repair shall be subject to inspection and approval by
2192 the building official of the municipality in which such residence is
2193 located and shall conform to the requirements of the State Building
2194 Code; (12) persons who install, maintain or repair glass in a motor

2195 vehicle owned or leased by such persons; (13) persons or entities
2196 holding themselves out to be retail sellers of glass products, but not
2197 such persons or entities that also engage in automotive glass work or
2198 flat glass work; (14) persons who install preglazed or preassembled
2199 windows or doors in residential or commercial buildings; (15) persons
2200 registered under chapter 400 who install safety-backed mirror
2201 products or repair or replace flat glass in sizes not greater than thirty
2202 square feet in residential buildings; [and] (16) sheet metal work
2203 performed in residential buildings consisting of six units or less by
2204 new home construction contractors registered pursuant to chapter
2205 399a, by home improvement contractors registered pursuant to chapter
2206 400 or by persons licensed pursuant to this chapter, when such work is
2207 limited to exhaust systems installed for hoods and fans in kitchens and
2208 baths, clothes dryer exhaust systems, radon vent systems, fireplaces,
2209 fireplace flues, masonry chimneys or prefabricated metal chimneys
2210 rated by the Underwriter's Laboratory or installation of stand-alone
2211 appliances including wood, pellet or other stand-alone stoves that are
2212 installed in residential buildings by such contractors or persons; and
2213 (17) employees of or any contractor employed by and under the
2214 direction of a properly licensed solar contractor, performing work
2215 limited to the hoisting, placement and anchoring of solar collectors,
2216 photovoltaic panels, towers or turbines.

2217 Sec. 53. Section 16-244c of the general statutes is repealed and the
2218 following is substituted in lieu thereof (*Effective from passage*):

2219 (a) (1) On and after January 1, 2000, each electric distribution
2220 company shall make available to all customers in its service area, the
2221 provision of electric generation and distribution services through a
2222 standard offer. Under the standard offer, a customer shall receive
2223 electric services at a rate established by the Department of Public
2224 Utility Control pursuant to subdivision (2) of this subsection. Each
2225 electric distribution company shall provide electric generation services
2226 in accordance with such option to any customer who affirmatively
2227 chooses to receive electric generation services pursuant to the standard
2228 offer or does not or is unable to arrange for or maintain electric

2229 generation services with an electric supplier. The standard offer shall
2230 automatically terminate on January 1, 2004. While providing electric
2231 generation services under the standard offer, an electric distribution
2232 company may provide electric generation services through any of its
2233 generation entities or affiliates, provided such entities or affiliates are
2234 licensed pursuant to section 16-245.

2235 (2) Not later than October 1, 1999, the Department of Public Utility
2236 Control shall establish the standard offer for each electric distribution
2237 company, effective January 1, 2000, which shall allocate the costs of
2238 such company among electric transmission and distribution services,
2239 electric generation services, the competitive transition assessment and
2240 the systems benefits charge. The department shall hold a hearing that
2241 shall be conducted as a contested case in accordance with chapter 54 to
2242 establish the standard offer. The standard offer shall provide that the
2243 total rate charged under the standard offer, including electric
2244 transmission and distribution services, the conservation and load
2245 management program charge described in section 16-245m, the
2246 renewable energy investment charge described in section 16-245n,
2247 electric generation services, the competitive transition assessment and
2248 the systems benefits charge shall be at least ten per cent less than the
2249 base rates, as defined in section 16-244a, in effect on December 31,
2250 1996. The standard offer shall be adjusted to the extent of any increase
2251 or decrease in state taxes attributable to sections 12-264 and 12-265 and
2252 any other increase or decrease in state or federal taxes resulting from a
2253 change in state or federal law and shall continue to be adjusted during
2254 such period pursuant to section 16-19b. Notwithstanding the
2255 provisions of section 16-19b, the provisions of said section 16-19b shall
2256 apply to electric distribution companies. The standard offer may be
2257 adjusted, by an increase or decrease, to the extent approved by the
2258 department, in the event that (A) the revenue requirements of the
2259 company are affected as the result of changes in (i) legislative
2260 enactments other than public act 98-28*, (ii) administrative
2261 requirements, or (iii) accounting standards occurring after July 1, 1998,
2262 provided such accounting standards are adopted by entities

2263 independent of the company that have authority to issue such
2264 standards, or (B) an electric distribution company incurs extraordinary
2265 and unanticipated expenses required for the provision of safe and
2266 reliable electric service to the extent necessary to provide such service.
2267 Savings attributable to a reduction in taxes shall not be shifted between
2268 customer classes.

2269 (3) The price reduction provided in subdivision (2) of this
2270 subsection shall not apply to customers who, on or after July 1, 1998,
2271 are purchasing electric services from an electric company or electric
2272 distribution company, as the case may be, under a special contract or
2273 flexible rate tariff, and the company's filed standard offer tariffs shall
2274 reflect that such customers shall not receive the standard offer price
2275 reduction.

2276 (b) (1) (A) On and after January 1, 2004, each electric distribution
2277 company shall make available to all customers in its service area, the
2278 provision of electric generation and distribution services through a
2279 transitional standard offer. Under the transitional standard offer, a
2280 customer shall receive electric services at a rate established by the
2281 Department of Public Utility Control pursuant to subdivision (2) of
2282 this subsection. Each electric distribution company shall provide
2283 electric generation services in accordance with such option to any
2284 customer who affirmatively chooses to receive electric generation
2285 services pursuant to the transitional standard offer or does not or is
2286 unable to arrange for or maintain electric generation services with an
2287 electric supplier. The transitional standard offer shall terminate on
2288 December 31, 2006. While providing electric generation services under
2289 the transitional standard offer, an electric distribution company may
2290 provide electric generation services through any of its generation
2291 entities or affiliates, provided such entities or affiliates are licensed
2292 pursuant to section 16-245.

2293 (B) The department shall conduct a proceeding to determine
2294 whether a practical, effective, and cost-effective process exists under
2295 which an electric customer, when initiating electric service, may

2296 receive information regarding selecting electric generating services
2297 from a qualified entity. The department shall complete such
2298 proceeding on or before December 1, 2005, and shall implement the
2299 resulting decision on or before March 1, 2006, or on such later date that
2300 the department considers appropriate. An electric distribution
2301 company's costs of participating in the proceeding and implementing
2302 the results of the department's decision shall be recoverable by the
2303 company as generation services costs through an adjustment
2304 mechanism as approved by the department.

2305 (2) (A) Not later than December 15, 2003, the Department of Public
2306 Utility Control shall establish the transitional standard offer for each
2307 electric distribution company, effective January 1, 2004.

2308 (B) The department shall hold a hearing that shall be conducted as a
2309 contested case in accordance with chapter 54 to establish the
2310 transitional standard offer. The transitional standard offer shall
2311 provide that the total rate charged under the transitional standard
2312 offer, including electric transmission and distribution services, the
2313 conservation and load management program charge described in
2314 section 16-245m, the renewable energy investment charge described in
2315 section 16-245n, electric generation services, the competitive transition
2316 assessment and the systems benefits charge, and excluding federally
2317 mandated congestion costs, shall not exceed the base rates, as defined
2318 in section 16-244a, in effect on December 31, 1996, excluding any rate
2319 reduction ordered by the department on September 26, 2002.

2320 (C) (i) Each electric distribution company shall, on or before January
2321 1, 2004, file with the department an application for an amendment of
2322 rates pursuant to section 16-19, which application shall include a four-
2323 year plan for the provision of electric transmission and distribution
2324 services. The department shall conduct a contested case proceeding
2325 pursuant to sections 16-19 and 16-19e, as amended by this act, to
2326 approve, reject or modify the application and plan. Upon the approval
2327 of such plan, as filed or as modified by the department, the department
2328 shall order that such plan shall establish the electric transmission and

2329 distribution services component of the transitional standard offer.

2330 (ii) Notwithstanding the provisions of this subparagraph, an electric
2331 distribution company that, on or after September 1, 2002, completed a
2332 proceeding pursuant to sections 16-19 and 16-19e, shall not be required
2333 to file an application for an amendment of rates as required by this
2334 subparagraph. The department shall establish the electric transmission
2335 and distribution services component of the transitional standard offer
2336 for any such company equal to the electric transmission and
2337 distribution services component of the standard offer established
2338 pursuant to subsection (a) of this section in effect on July 1, 2003, for
2339 such company. If such electric distribution company applies to the
2340 department, pursuant to section 16-19, for an amendment of its rates
2341 on or before December 31, 2006, the application of the electric
2342 distribution company shall include a four-year plan.

2343 (D) The transitional standard offer (i) shall be adjusted to the extent
2344 of any increase or decrease in state taxes attributable to sections 12-264
2345 and 12-265 and any other increase or decrease in state or federal taxes
2346 resulting from a change in state or federal law, (ii) shall be adjusted to
2347 provide for the cost of contracts under subdivision (2) of subsection (j)
2348 of this section and the administrative costs for the procurement of such
2349 contracts, and (iii) shall continue to be adjusted during such period
2350 pursuant to section 16-19b. Savings attributable to a reduction in taxes
2351 shall not be shifted between customer classes. Notwithstanding the
2352 provisions of section 16-19b, the provisions of section 16-19b shall
2353 apply to electric distribution companies.

2354 (E) The transitional standard offer may be adjusted, by an increase
2355 or decrease, to the extent approved by the department, in the event
2356 that (i) the revenue requirements of the company are affected as the
2357 result of changes in (I) legislative enactments other than public act 03-
2358 135* or public act 98-28*, (II) administrative requirements, or (III)
2359 accounting standards adopted after July 1, 2003, provided such
2360 accounting standards are adopted by entities that are independent of
2361 the company and have authority to issue such standards, or (ii) an

2362 electric distribution company incurs extraordinary and unanticipated
2363 expenses required for the provision of safe and reliable electric service
2364 to the extent necessary to provide such service.

2365 (3) The price provided in subdivision (2) of this subsection shall not
2366 apply to customers who, on or after July 1, 2003, purchase electric
2367 services from an electric company or electric distribution company, as
2368 the case may be, under a special contract or flexible rate tariff,
2369 provided the company's filed transitional standard offer tariffs shall
2370 reflect that such customers shall not receive the transitional standard
2371 offer price during the term of said contract or tariff.

2372 (4) (A) In addition to its costs received pursuant to subsection (h) of
2373 this section, as compensation for providing transitional standard offer
2374 service, each electric distribution company shall receive an amount
2375 equal to five-tenths of one mill per kilowatt hour. Revenues from such
2376 compensation shall not be included in calculating the electric
2377 distribution company's earnings for purposes of, or in determining
2378 whether its rates are just and reasonable under, sections 16-19, 16-19a
2379 and 16-19e, including an earnings sharing mechanism. In addition,
2380 each electric distribution company may earn compensation for
2381 mitigating the prices of the contracts for the provision of electric
2382 generation services, as provided in subdivision (2) of this subsection.

2383 (B) The department shall conduct a contested case proceeding
2384 pursuant to the provisions of chapter 54 to establish an incentive plan
2385 for the procurement of long-term contracts for transitional standard
2386 offer service by an electric distribution company. The incentive plan
2387 shall be based upon a comparison of the actual average firm full
2388 requirements service contract price for electricity obtained by the
2389 electric distribution company compared to the regional average firm
2390 full requirements service contract price for electricity, adjusted for such
2391 variables as the department deems appropriate, including, but not
2392 limited to, differences in locational marginal pricing. If the actual
2393 average firm full requirements service contract price obtained by the
2394 electric distribution company is less than the actual regional average

2395 firm full requirements service contract price for the previous year, the
2396 department shall split five-tenths of one mill per kilowatt hour equally
2397 between ratepayers and the company. Revenues from such incentive
2398 plan shall not be included in calculating the electric distribution
2399 company's earnings for purposes of, or in determining whether its
2400 rates are just and reasonable under sections 16-19, 16-19a and 16-19e.
2401 The department may, as it deems necessary, retain a third party entity
2402 with expertise in energy procurement to assist with the development
2403 of such incentive plan.

2404 (c) (1) On and after [January 1, 2007,] the effective date of this
2405 section, each electric distribution company shall provide electric
2406 generation services through standard service to any customer who (A)
2407 does not arrange for or is not receiving electric generation services
2408 from an electric supplier [,] and [(B) does not use a demand meter or]
2409 has a maximum demand of less than five hundred kilowatts, and (B)
2410 school districts or municipalities.

2411 (2) Not later than October 1, 2006, and [periodically as required by
2412 subdivision (3) of this subsection, but not more often than every
2413 calendar quarter] annually thereafter, the Department of Public Utility
2414 Control shall establish the standard service price for such customers
2415 pursuant to [subdivision (3) of] this subsection except the department
2416 may adjust the price more frequently if it determines that such
2417 adjustment would be in the best interest of ratepayers, but not more
2418 than once every six months. Each electric distribution company shall
2419 recover the actual net costs of procuring and providing electric
2420 generation services pursuant to this subsection, provided such
2421 company mitigates the costs it incurs for the procurement of electric
2422 generation services for customers who are no longer receiving service
2423 pursuant to this subsection.

2424 (3) On or before August 1, 2007, the electric distribution companies
2425 shall file with the Department of Public Utility Control a proposal to
2426 establish principles and standards that shall govern the manner in
2427 which the companies enter into, and the department reviews and

2428 grants approval to, bilateral contracts to provide standard service
2429 supply. The department, in consultation with the Office of Consumer
2430 Counsel, shall conduct a contested proceeding to approve, modify or
2431 reject said proposal. No electric distribution company may initiate any
2432 bilateral negotiations for standard service contracts before the
2433 department's adoption of the principles and standards required
2434 pursuant to this section.

2435 [(3) An] (4) Until December 31, 2007, an electric distribution
2436 company providing electric generation services pursuant to this
2437 subsection shall mitigate the variation of the price of the service
2438 offered to its customers by procuring electric generation services
2439 contracts in the manner prescribed in a plan approved by the
2440 department. Such plan shall require the procurement of a portfolio of
2441 service contracts sufficient to meet the projected load of the electric
2442 distribution company. Such plan shall require that the portfolio of
2443 service contracts be procured in an overlapping pattern of fixed
2444 periods at such times and in such manner and duration as the
2445 department determines to be most likely to produce just, reasonable
2446 and reasonably stable retail rates while reflecting underlying
2447 wholesale market prices over time. The portfolio of contracts shall be
2448 assembled in such manner as to invite competition; guard against
2449 favoritism, improvidence, extravagance, fraud and corruption; and
2450 secure a reliable electricity supply while avoiding unusual, anomalous
2451 or excessive pricing. The portfolio of contracts procured under such
2452 plan shall be for terms of not less than six months, provided contracts
2453 for shorter periods may be procured under such conditions as the
2454 department shall prescribe to (A) ensure for end-use customers the
2455 lowest rates possible, [for end-use customers] giving due consideration
2456 to risk and amount of volatility in the overall rates; (B) ensure reliable
2457 service under extraordinary circumstances; and (C) ensure the prudent
2458 management of the contract portfolio. An electric distribution
2459 company may receive a bid for an electric generation services contract
2460 from any of its generation entities or affiliates, provided such
2461 generation entity or affiliate submits its bid the business day preceding

2462 the first day on which an unaffiliated electric supplier may submit its
2463 bid and further provided the electric distribution company and the
2464 generation entity or affiliate are in compliance with the code of
2465 conduct established in section 16-244h.

2466 [(4) The] (5) On and after January 1, 2008, an electric distribution
2467 company providing electric generation services pursuant to this
2468 subsection shall mitigate the variation of the price of the service
2469 offered to its customers by procuring electric generation services in the
2470 manner prescribed in a standard service procurement plan approved
2471 by the department. Such plan shall be consistent with the resource
2472 procurement plan approved pursuant to section 55 of this act, when
2473 available, and shall specify the method for purchasing power for
2474 standard service, and may require the electric distribution company to
2475 (A) procure load following, full requirements service contracts in a
2476 manner similar to that pursuant to subdivision (3) of this subsection;
2477 (B) procure individual electric supply components directly from a
2478 supplier, or generator, including, but not limited to, base load,
2479 intermediate and peaking energy resource, capacity and other power
2480 supply services, using both requests for proposals and bilateral
2481 contracts outside the request for proposal process; and (C) procure
2482 physical and financial hedges to manage prices, including, but not
2483 limited to, tolling arrangements and financial transmission rights. Such
2484 plan shall describe how an electric distribution company shall, over
2485 time, transition to its new supply aggregation role as described in this
2486 section from the current method of procuring power supply pursuant
2487 to subdivision (4) of this subsection to a mix of the procurement
2488 options described in this section. Once its procurement plan has been
2489 approved by the department, an electric distribution company shall be
2490 allowed to manage the power supply portfolio on a real-time basis,
2491 thereby enabling it to optimize supply for the benefit of customers. The
2492 department shall set standard service rates annually by combining the
2493 costs of the arrangements undertaken under the procurement plan,
2494 provided such rates will be trued up to actual revenues and expenses
2495 twice per year, with any over or under recovery being included in

2496 either the current period or subsequent standard service rate, as
2497 determined by the department. An electric distribution company shall
2498 be entitled to collect the reasonable costs it incurs to provide such
2499 service.

2500 (6) In approving the plans pursuant to subdivisions (4) and (5) of
2501 this subsection, the department, in consultation with the Office of
2502 Consumer Counsel, shall retain the services of a third-party entity with
2503 expertise in the area of energy procurement to oversee the initial
2504 development of the request for proposals and the procurement of
2505 contracts by an electric distribution company for the provision of
2506 electric generation services offered pursuant to this subsection. Costs
2507 associated with the retention of such third-party entity shall be
2508 included in the cost of electric generation services that is included in
2509 such price.

2510 [(5) Each] (7) For resources acquired pursuant to a request for
2511 proposal process, each bidder for a standard service contract shall
2512 submit its bid to the electric distribution company and the third-party
2513 entity who shall jointly review the bids, conduct an analysis of the cost
2514 of such proposal and submit an overview of all bids together with a
2515 joint recommendation to the department as to the preferred bidders.
2516 The department shall make available to the Office of Consumer
2517 Counsel and the Attorney General all bids it receives pursuant to this
2518 subsection, provided the bids and any analysis of such bids shall not
2519 be subject to disclosure under the Freedom of Information Act for a
2520 period of three months. The department may, [within ten] not later
2521 than two business days [of] after submission of the overview, reject the
2522 recommendation regarding preferred bidders. In the event that the
2523 department rejects the preferred bids, the electric distribution
2524 company and the third-party entity shall rebid the service pursuant to
2525 this subdivision. For other resources acquired by an electric
2526 distribution company pursuant to subdivision (5) of this subsection,
2527 such company shall submit information on such acquisitions to the
2528 department as shall be specified in the procurement plan.

2529 (8) Upon approval of the preferred bids by the department, the
2530 respective electric distribution company shall enter into contracts with
2531 approved bidders. The department shall approve or reject such
2532 contracts not later than seven calendar days after such contracts are
2533 entered into, but can extend such period an additional seven days with
2534 the consent of all parties.

2535 (9) Not later than October 1, 2009, and biennially thereafter, the
2536 department shall conduct a contested case proceeding in accordance
2537 with chapter 54 to review the efficacy of the process of procuring
2538 contracts pursuant to this subsection including as assessment of the
2539 extent to which the standards set forth in sections 55 and 58 of this act
2540 are met.

2541 (d) (1) [Notwithstanding] Not later than January 1, 2008, and on a
2542 continuing basis, notwithstanding the provisions of this section
2543 regarding the electric generation services component of the transitional
2544 standard offer or the procurement of electric generation services under
2545 standard service, section 16-244h or 16-245o, the Department of Public
2546 Utility Control [may, from time to time, direct an electric distribution
2547 company] shall direct the electric distribution companies to offer,
2548 through an electric supplier or electric suppliers, [before January 1,
2549 2007, one or more alternative transitional standard offer options or, on
2550 or after January 1, 2007,] one or more [alternative standard] renewable
2551 service options. Such [alternative] renewable service options shall
2552 include, but not be limited to, an option that consists of the provision
2553 of electric generation services that exceed the renewable portfolio
2554 standards established in section 16-245a and an option that allows
2555 consumers to purchase renewable energy directly and may include an
2556 option that utilizes strategies or technologies that reduce the overall
2557 consumption of electricity of the customer.

2558 (2) (A) The department shall develop such [alternative] renewable
2559 service option or options in [a contested case] contested cases, as
2560 necessary, conducted in accordance with the provisions of chapter 54.
2561 The department shall determine the terms and conditions of such

2562 [alternative] renewable service option or options, including, but not
2563 limited to, (i) the minimum contract terms, including pricing, length
2564 and termination of the contract, and (ii) the minimum percentage of
2565 electricity derived from Class I or Class II renewable energy sources, if
2566 applicable. The electric distribution [company] companies shall, under
2567 the supervision of the department, subsequently conduct a bidding
2568 process in order to solicit electric suppliers to provide such
2569 [alternative] renewable service option or options.

2570 (B) The department may reject some or all of the bids received
2571 pursuant to the bidding process.

2572 (3) The department may require an electric supplier to provide
2573 forms of assurance to satisfy the department that the contracts
2574 resulting from the bidding process will be fulfilled.

2575 (4) An electric supplier who fails to fulfill its contractual obligations
2576 resulting from this subdivision shall be subject to civil penalties, in
2577 accordance with the provisions of section 16-41, or the suspension or
2578 revocation of such supplier's license or a prohibition on the acceptance
2579 of new customers, following a hearing that is conducted as a contested
2580 case, in accordance with the provisions of chapter 54.

2581 (e) (1) On and after January 1, 2007, an electric distribution company
2582 shall serve customers that are not eligible to receive standard service
2583 pursuant to subsection (c) of this section as the supplier of last resort.
2584 This subsection shall not apply to customers purchasing power under
2585 contracts entered into pursuant to section 16-19hh. Any customer
2586 previously receiving electric generation services from an electric
2587 supplier shall not be eligible to receive supplier of last resort service
2588 pursuant to this subsection unless such customer agrees to receive
2589 supplier of last resort service for a period of not less than one year.

2590 (2) An electric distribution company shall procure electricity to
2591 provide electric generation services to customers pursuant to this
2592 subsection. The Department of Public Utility Control shall determine a
2593 price for such customers that reflects the full cost of providing the

2594 electricity on a monthly basis and that is consistent with the approved
2595 procurement and deployment plan pursuant to section 55 of this act or,
2596 on an alternative basis as determined pursuant to subdivision (3) of
2597 this subsection. Each electric distribution company shall recover the
2598 actual net costs of procuring and providing electric generation services
2599 pursuant to this subsection, provided such company mitigates the
2600 costs it incurs for the procurement of electric generation services for
2601 customers that are no longer receiving service pursuant to this
2602 subsection.

2603 (3) On or after July 1, 2008, the Department of Public Utility Control
2604 may conduct a contested case proceeding to study the frequency with
2605 which it should determine the price for supplier of last resort service.

2606 (f) On and after January 1, 2000, and until such time the regional
2607 independent system operator implements procedures for the provision
2608 of back-up power to the satisfaction of the Department of Public Utility
2609 Control, each electric distribution company shall provide electric
2610 generation services to any customer who has entered into a service
2611 contract with an electric supplier that fails to provide electric
2612 generation services for reasons other than the customer's failure to pay
2613 for such services. Between January 1, 2000, and December 31, 2006, an
2614 electric distribution company may procure electric generation services
2615 through a competitive bidding process or through any of its generation
2616 entities or affiliates. On and after January 1, 2007, such company shall
2617 procure electric generation services through a competitive bidding
2618 process pursuant to a plan submitted by the electric distribution
2619 company and approved by the department. Such company may
2620 procure electric generation services through any of its generation
2621 entities or affiliates, provided such entity or affiliate is the lowest
2622 qualified bidder and provided further any such entity or affiliate is
2623 licensed pursuant to section 16-245.

2624 (g) An electric distribution company is not required to be licensed
2625 pursuant to section 16-245 to provide standard offer electric generation
2626 services in accordance with subsection (a) of this section, transitional

2627 standard offer service pursuant to subsection (b) of this section,
2628 standard service pursuant to subsection (c) of this section, supplier of
2629 last resort service pursuant to subsection (e) of this section or back-up
2630 electric generation service pursuant to subsection (f) of this section.

2631 (h) The electric distribution company shall be entitled to recover
2632 reasonable costs incurred as a result of providing standard offer
2633 electric generation services pursuant to the provisions of subsection (a)
2634 of this section, transitional standard offer service pursuant to
2635 subsection (b) of this section, standard service pursuant to subsection
2636 (c) of this section or back-up electric generation service pursuant to
2637 subsection (f) of this section. The provisions of this section and section
2638 16-244a shall satisfy the requirements of section 16-19a until January 1,
2639 2007.

2640 (i) The Department of Public Utility Control shall establish, by
2641 regulations adopted pursuant to chapter 54, procedures for when and
2642 how a customer is notified that his electric supplier has defaulted and
2643 of the need for the customer to choose a new electric supplier within a
2644 reasonable period of time.

2645 (j) (1) Notwithstanding the provisions of subsection (d) of this
2646 section regarding [an alternative transitional standard offer option or
2647 an alternative standard] a renewable service option, an electric
2648 distribution company providing transitional standard offer service,
2649 standard service, supplier of last resort service or back-up electric
2650 generation service in accordance with this section shall contract with
2651 its wholesale suppliers to comply with the renewable portfolio
2652 standards. The Department of Public Utility Control shall annually
2653 conduct a contested case, in accordance with the provisions of chapter
2654 54, in order to determine whether the electric distribution company's
2655 wholesale suppliers met the renewable portfolio standards during the
2656 preceding year. An electric distribution company shall include a
2657 provision in its contract with each wholesale supplier that requires the
2658 wholesale supplier to pay the electric distribution company an amount
2659 of five and one-half cents per kilowatt hour if the wholesale supplier

2660 fails to comply with the renewable portfolio standards during the
2661 subject annual period. The electric distribution company shall
2662 promptly transfer any payment received from the wholesale supplier
2663 for the failure to meet the renewable portfolio standards to the
2664 Renewable Energy Investment Fund for the development of Class I
2665 renewable energy sources. Any payment made pursuant to this section
2666 shall not be considered revenue or income to the electric distribution
2667 company.

2668 (2) Notwithstanding the provisions of subsection (d) of this section
2669 regarding [an alternative transitional standard offer option or an
2670 alternative standard] a renewable service option, an electric
2671 distribution company providing transitional standard offer service,
2672 standard service, supplier of last resort service or back-up electric
2673 generation service in accordance with this section shall, not later than
2674 July 1, 2008, file with the Department of Public Utility Control for its
2675 approval one or more long-term power purchase contracts from Class I
2676 renewable energy source projects that receive funding from the
2677 Renewable Energy Investment Fund and that are not less than one
2678 megawatt in size, at a price that is either, at the determination of the
2679 project owner, (A) not more than the total of the comparable wholesale
2680 market price for generation plus five and one-half cents per kilowatt
2681 hour, or (B) fifty per cent of the wholesale market electricity cost at the
2682 point at which transmission lines intersect with each other or interface
2683 with the distribution system, plus the project cost of fuel indexed to
2684 natural gas futures contracts on the New York Mercantile Exchange at
2685 the natural gas pipeline interchange located in Vermillion Parish,
2686 Louisiana that serves as the delivery point for such futures contracts,
2687 plus the fuel delivery charge for transporting fuel to the project, plus
2688 five and one-half cents per kilowatt hour. The department shall
2689 approve or reject such contracts not later than thirty calendar days
2690 after such contract is filed, unless the department determines before
2691 the expiration of that period that additional time is needed, but in no
2692 event longer than a total of sixty days. If the department does not issue
2693 a decision within sixty calendar days, the contract shall be deemed to

2694 have been approved. In its approval of such contracts, the department
2695 shall give preference to purchase contracts from those projects that
2696 would provide a financial benefit to ratepayers or would enhance the
2697 reliability of the electric transmission system of the state. Such projects
2698 shall be located in this state. The owner of a fuel cell project principally
2699 manufactured in this state shall be allocated all available air emissions
2700 credits and tax credits attributable to the project and no less than fifty
2701 per cent of the energy credits in the Class I renewable energy credits
2702 program established in section 16-245a attributable to the project.
2703 [Such] On and after January 1, 2007, and until September 30, 2008, such
2704 contracts shall be comprised of not less than a total, apportioned
2705 among each electric distribution company, of one hundred twenty-five
2706 megawatts; and on and after October 1, 2008, such contracts shall be
2707 comprised of not less than a total, apportioned among each electrical
2708 distribution company, of one hundred fifty megawatts. The cost of
2709 such contracts and the administrative costs for the procurement of
2710 such contracts directly incurred shall be eligible for inclusion in the
2711 adjustment to the transitional standard offer as provided in this section
2712 and any subsequent rates for standard service, provided such contracts
2713 are for a period of time sufficient to provide financing for such
2714 projects, but not less than ten years, and are for projects which began
2715 operation on or after July 1, 2003. Except as provided in this
2716 subdivision, the amount from Class I renewable energy sources
2717 contracted under such contracts shall be applied to reduce the
2718 applicable Class I renewable energy source portfolio standards. For
2719 purposes of this subdivision, the department's determination of the
2720 comparable wholesale market price for generation shall be based upon
2721 a reasonable estimate. On or before July 1, 2007, the department, in
2722 consultation with the Office of Consumer Counsel and the Renewable
2723 Energy Investments Advisory Council, shall initiate a study of the
2724 operation of such renewable energy contracts and report its findings
2725 and recommendations to the joint standing committee of the General
2726 Assembly having cognizance of matters relating to energy.

2727 Sec. 54. (NEW) (*Effective from passage*) On or before September 1,

2007, any person may, and an electric distribution company shall, submit a plan to build peaking generation, or the electric distribution companies may submit a joint ownership plan to build peaking generation, to be heard in a contested case proceeding before the Department of Public Utility Control. An electric distribution company's plan shall include its full projected costs, and shall demonstrate to the department that its plan is not supported in any form of cross subsidization by affiliated entities. Any plan approved by the department shall (1) include a requirement that the owner of the peaking generation is compensated at cost of service plus reasonable rate of return as determined by the department, and (2) require that such peaking generation facility is operated at such times and such capacity so as to reduce overall electricity rates for consumers. The department may retain a consultant to assist the department in determining if projected costs included in the plan are good faith preliminary estimates, and the department may require modification of the plan as necessary to protect the best interests of ratepayers. Not later than one hundred twenty days after the plan is submitted, the department shall approve the plan unless it demonstrates in detail, pursuant to section 16-19e of the general statutes, as amended by this act, that such plan is not in the best interests of ratepayers. The department shall request that any person submitting a plan submit further information that the department determines to be in the public interest that the department shall use in evaluating the proposal. Such person shall only recover the just and reasonable costs of construction of the facility and, in an annual retail generation rate contested case, shall be entitled to recover its prudently incurred costs of such project, including, but not limited to, capital costs, operation and maintenance expenses, depreciation, fuel costs, taxes and other governmental charges and a reasonable rate of return on equity. The department shall review such recovery of costs consistent with the principles set forth in sections 16-19, 16-19b and 16-19e of the general statutes, as amended by this act, provided the return on equity associated with such project shall be established in the initial annual contested case proceeding under this subsection and updated at least once every four

2763 years. A person operating a peaking generation unit pursuant to the
2764 provisions of this section shall bid the unit into all regional
2765 independent system operator markets, including the energy market,
2766 capacity market or forward reserve market, using cost of service
2767 principles and in accordance with guidelines established by the
2768 Department of Public Utility Control each year in the annual retail
2769 generation rate case referred to herein.

2770 Sec. 55. (NEW) (*Effective from passage*) (a) The electric distribution
2771 companies shall conduct an energy and capacity resource assessment
2772 and develop a comprehensive plan for the procurement and
2773 deployment of energy resources, including, but not limited to,
2774 conventional and renewable generating facilities, energy conservation,
2775 energy efficiency, load management, demand response, transmission
2776 combined heat and power facilities and distributed generation to meet
2777 the projected requirements of their customers in a manner that
2778 minimizes the cost and price volatility of such resources to customers
2779 over time and maximizes consumer benefits consistent with the state's
2780 environmental goals and standards. On or before January 1, 2008, and
2781 every two years thereafter, the companies shall submit to the
2782 Connecticut Energy Advisory Board, established pursuant to section
2783 16a-3 of the general statutes, as amended by this act, an assessment of
2784 (1) the energy and capacity requirements of customers for the next
2785 three, five and ten years, (2) the impact of current and projected
2786 environmental standards, including, but not limited to, those related to
2787 greenhouse gas emissions and the federal Clean Air Act goals and how
2788 different resources could help achieve those standards and goals, (3)
2789 energy security and economic risks associated with potential energy
2790 resources, and (4) the estimated lifetime cost and availability of
2791 potential energy resources, including those related to reliability and
2792 price volatility.

2793 (b) Resource needs shall first be met through all available energy
2794 efficiency and demand reduction resources that are cost effective,
2795 reliable and feasible. The plan shall specify (1) the total amount of
2796 energy and capacity resources needed to meet the requirements of all

2797 customers, (2) the extent to which demand side measures, including
2798 efficiency, conservation, demand response and load management can
2799 cost-effectively meet these needs, (3) needs for generating capacity and
2800 transmission and distribution improvements, and (4) how the
2801 development of such resources will reduce and stabilize the costs of
2802 electricity to consumers.

2803 (c) The procurement and deployment plan shall consider: (1)
2804 Approaches to maximizing the impact of demand side measures; (2)
2805 the extent to which generation needs can be met by renewable and
2806 combined heat and power facilities and by the impact of regional
2807 market incentives; (3) types and locations for generation that would
2808 optimize the generation portfolio within the state; (4) fuel types,
2809 diversity, availability, firmness of supply and security and
2810 environmental impacts thereof, including impacts on meeting the
2811 state's greenhouse gas emission goals; (5) reliability, peak load and
2812 energy forecasts, system contingencies and existing resource
2813 availabilities; (6) import limitations and the appropriate reliance on
2814 such imports; (7) the costs and benefits of options for the ownership of
2815 energy resources; (8) if it is in the best interest of customers, how new
2816 resources could be integrated into the standard service and last-resort
2817 service provided pursuant to section 16-244c of the general statutes, as
2818 amended by this act; and (9) the impact of the plan on the costs of
2819 electric customers, including, but not limited to, effects on capacity and
2820 energy costs, rate stability and affordability for low-income customers.

2821 (d) The board, in consultation with the regional independent system
2822 operator, in-state generators and other interested stakeholders, shall
2823 review and approve the proposed procurement and deployment plan
2824 as submitted not later than one hundred twenty days after receipt. For
2825 the purpose of reviewing the plan, the Commissioners of
2826 Transportation and Agriculture, or their respective designees, shall not
2827 participate. The companies shall provide any additional information
2828 requested by the board that is relevant to the consideration of the plan.
2829 In the course of conducting such review, the board may retain the
2830 services of a third-party entity with experience in the area of energy

2831 procurement and may consult with the regional independent system
2832 operator. The board shall submit the reviewed plan, together with a
2833 statement of any unresolved issues, to the Department of Public Utility
2834 Control. The department shall consider the plan in an uncontested
2835 proceeding and shall provide an opportunity for interested parties to
2836 submit comments regarding the plan. Not later than one hundred fifty
2837 days after submission of the plan, the department shall approve, or
2838 modify and approve, the plan.

2839 (e) All reasonable costs associated with the development of the
2840 resource assessment and procurement and deployment plan shall be
2841 recoverable by the electric distribution companies through the
2842 nonbypassable federally mandated congestion charge, as defined in
2843 section 16-1 of the general statutes, as amended by this act, the
2844 generation services charge or other charge consistent with section 16-
2845 19 of the general statutes and section 16-19e of the general statutes, as
2846 amended by this act.

2847 (f) The board shall meet at least quarterly to consider progress in the
2848 implementation of the procurement plan and any changes in
2849 circumstances that might affect the resource needs or said
2850 procurement plan. The board may, at any time, recommend to the
2851 companies and to the department that said plan be modified based on
2852 a substantial change in the need for or availability of resources. The
2853 companies or the department, on its own motion with notice to the
2854 board, may also request consideration of plan modifications based on
2855 changes in circumstance. The department shall consider any such
2856 request in an uncontested docket.

2857 Sec. 56. (NEW) (*Effective from passage*) (a) The Department of Public
2858 Utility Control shall implement the procurement and deployment plan
2859 established in section 55 of this act by (1) issuing requests for proposals
2860 pursuant to section 58 of this act to meet specified energy resource
2861 needs set forth in the plan or by directing the electric distribution
2862 companies to issue such requests for proposals, (2) directing the
2863 electric distribution companies to incorporate additional demand-side

2864 measures set forth in the plan into the comprehensive conservation
2865 and load management plan prepared pursuant to section 16-245m of
2866 the general statutes for review by the Energy Conservation
2867 Management Board, (3) directing the distribution companies to submit
2868 proposals for specific transmission or distribution improvements,
2869 generation projects or other projects set forth in the plan, or (4) taking
2870 other actions within its authority to implement the plan.

2871 (b) Effective January 1, 2008, until the comprehensive plan is
2872 implemented by the department, the electric distribution companies
2873 shall include all available energy efficiency and demand reduction
2874 resources that are cost effective, reliable and feasible in the
2875 comprehensive conservation and load management plan prepared
2876 pursuant to section 16-245m of the general statutes for review by the
2877 Energy Conservation Management Board.

2878 Sec. 57. Section 16a-3 of the general statutes is repealed and the
2879 following is substituted in lieu thereof (*Effective from passage*):

2880 (a) There is established a Connecticut Energy Advisory Board
2881 consisting of nine members, including the Commissioner of
2882 Environmental Protection, [the chairperson of the Public Utilities
2883 Control Authority, the Commissioner of Transportation,] the
2884 Consumer Counsel, [the Commissioner of Agriculture,] the executive
2885 director of Connecticut Innovations, Incorporated, and the Secretary of
2886 the Office of Policy and Management, or their respective designees.
2887 The Governor shall appoint [one member, the] a representative of a
2888 state-wide business association, a representative of a state-wide
2889 manufacturing association and a representative of low-income
2890 ratepayers. The president pro tempore of the Senate shall appoint [one
2891 member, and the] a representative of an environmental organization
2892 who is knowledgeable in energy efficiency programs. The speaker of
2893 the House of Representatives shall appoint [one member, all of whom]
2894 a representative of a consumer advocacy organization. All appointed
2895 members shall serve in accordance with section 4-1a. The appointing
2896 authorities shall make all appointments within ninety days of the

2897 effective date of this section. No appointee may be employed by, or a
2898 consultant of, a public service company, as defined in section 16-1, as
2899 amended by this act, or an electric supplier, as defined in section 16-1,
2900 amended by this act, or an affiliate or subsidiary of such company or
2901 supplier.

2902 (b) The board shall, (1) prepare an annual report pursuant to section
2903 16a-7a; (2) represent the state in regional energy system planning
2904 processes conducted by the regional independent system operator, as
2905 defined in section 16-1, as amended by this act; (3) encourage
2906 representatives from the municipalities that are affected by a proposed
2907 project of regional significance to participate in regional energy system
2908 planning processes conducted by the regional independent system
2909 operator; (4) issue a request-for-proposal in accordance with
2910 subsections (b) and (c) of section 16a-7c; (5) evaluate the proposals
2911 received pursuant to the request-for-proposal in accordance with
2912 subsection (f) of section 16a-7c; (6) participate in a forecast proceeding
2913 conducted pursuant to subsection (a) of section 16-50r; [and] (7)
2914 participate in a life-cycle proceeding conducted pursuant to subsection
2915 (b) of section 16-50r; and (8) review the procurement and deployment
2916 plan submitted by the electric distribution companies pursuant to
2917 section 55 of this act.

2918 (c) The board shall elect a chairman and a vice-chairman from
2919 among its members and shall adopt such rules of procedure as are
2920 necessary to carry out its functions.

2921 (d) The board shall convene its first meeting not later than
2922 September 1, 2003. A quorum of the board shall consist of two-thirds
2923 of the members currently serving on the board.

2924 (e) The board shall employ such staff as is required for the proper
2925 discharge of its duties. The board may also retain any third-party
2926 consultants it deems necessary to accomplish the goals set forth in
2927 subsection (b) of this section. The board shall annually submit to the
2928 Department of Public Utility Control a proposal regarding the level of

2929 funding required for the discharge of its duties, which proposal shall
2930 be approved by the department either as submitted or as modified by
2931 the department.

2932 (f) The Connecticut Energy Advisory Board shall be within the
2933 Office of Policy and Management for administrative purposes only.

2934 Sec. 58. (NEW) (*Effective from passage*) (a) Pursuant to the assessment
2935 conducted pursuant to section 55 of this act, the Department of Public
2936 Utility Control shall conduct a contested case proceeding to develop
2937 and issue a request for proposals pursuant to subparagraph (1) of
2938 subsection (2) of section 56 of this act to solicit the development of
2939 demand response, efficiency and load management and new,
2940 expanded or repowered cost-of-service generation to address any
2941 deficiencies or needs identified in the assessment prepared pursuant to
2942 section 55 of this act. A person, including an electric distribution
2943 company submitting a proposal pursuant to this subsection, shall
2944 include draft contracts containing information required by subsection
2945 (d) of this section in its submission, with compensation based
2946 exclusively on cost-of-service, including, but not limited to, a
2947 reasonable rate of return of and on prudent investment, operation and
2948 maintenance expenses, depreciation, fuel costs, taxes and other
2949 governmental charges. The department shall review the recovery of
2950 such charges in an annual, contested rate case as to all the units or
2951 measures owned by each person with a contract pursuant to this
2952 section, and said contract shall expressly subject such person to such
2953 review by the department. The department shall review such recovery
2954 of costs consistent with the principles set forth in sections 16-19, 16-19b
2955 and 16-19e of the general statutes, as amended by this act, provided
2956 the return on equity associated with such project shall be established in
2957 the initial annual contested case proceeding under this subsection for
2958 each person and updated at least once every four years. The
2959 department may retain a third-party consultant to help determine
2960 whether projected costs submitted by any person are reasonable
2961 preliminary estimates or whether the department should reject or
2962 require modification of any proposals that do not reflect reasonable

2963 estimates. The department may request that a person submitting a
2964 proposal submit further information that the department determines to
2965 be in the public interest, which the department may use in evaluating
2966 the proposal. The department shall approve contracts consistent with
2967 the principles set forth in sections 16-19, 16-19b and 16-19e of the
2968 general statutes, as amended by this act. The department shall reject
2969 proposals that are not in the best interests of customers.

2970 (b) The Department of Public Utility Control shall evaluate
2971 proposals received pursuant to subsection (a) of this section and may
2972 approve one or more of such proposals. The department shall evaluate
2973 the proposals based on an analysis of the expected costs and benefits of
2974 the proposals, consistency with environmental sustainability,
2975 reduction and stabilization of electric rates, market power risks, the
2976 promotion of fuel diversity and the reduction or overall minimization
2977 of increases in greenhouse gas emissions. The department shall only
2978 approve such proposals that have expected benefits in excess of
2979 expected costs and are in the best long-term interest of the customers
2980 of the state. All proposals received by the department pursuant to this
2981 section shall be available for public review six months after
2982 department approval or rejection.

2983 (c) The Department of Public Utility Control shall publish requests
2984 for proposals under this section in one or more newspapers or
2985 periodicals, as selected by the department, and shall post such request
2986 for proposals on its web site. The department may retain the services
2987 of a third-party entity with expertise in the area of energy procurement
2988 to oversee the development of the requests for proposals and to assist
2989 the department in its approval of proposals pursuant to this section.
2990 The reasonable and proper expenses for retaining such third-party
2991 entity shall be recoverable through federally mandated congestion
2992 charges, as defined in section 16-1 of the general statutes, as amended
2993 by this act, which charges the department shall allocate to electric
2994 distribution companies in proportion to their revenue.

2995 (d) Any person, other than an electric distribution company,

2996 submitting a proposal pursuant to this section shall include with its
2997 proposal a draft of a contract that includes the transfer to the electric
2998 distribution company of all rights to payment or to assignment of
2999 credits related to the facility, including, but not limited to, energy,
3000 installed capacity, forward reserve capacity, locational forward reserve
3001 capacity, environmental credits and all other similar or ancillary
3002 products associated with such proposal. The draft contract shall also
3003 include security for ensuring performance of the contractual
3004 obligations. No such contract shall have a term exceeding fifteen years.
3005 Such contract shall include such provisions as the Department of
3006 Public Utility Control directs.

3007 (e) An electric distribution company submitting a proposal pursuant
3008 to this section shall expressly state in its proposal that, in return for
3009 payment based on cost-of-service pursuant to subsection (a) of this
3010 section, such company will hold for the benefit of ratepayers all other
3011 rights to payment or assignment of environmental credits that derive
3012 from a contract pursuant to this section.

3013 (f) An electric distribution company shall enter into contracts to
3014 implement those proposals approved pursuant to this section, and
3015 shall apply to the Department of Public Utility Control for approval of
3016 each such contract. After thirty days, either party may request the
3017 assistance of the department to resolve any outstanding issues. No
3018 such contract may become effective without approval of the
3019 department. The department shall hold a hearing that shall be
3020 conducted as a contested case, in accordance with the provisions of
3021 chapter 54 of the general statutes, to approve, reject or modify an
3022 application for approval of such contracts. Such a contract shall contain
3023 terms that mitigate the long-term risk assumed by customers. The
3024 electric distribution company shall recover all reasonable costs
3025 incurred in implementing this section, including all costs incurred as a
3026 result of such contracts, through nonbypassable federally mandated
3027 congestion charges.

3028 (g) Projects approved pursuant to this section are eligible for

3029 expedited siting through a petition for declaratory ruling pursuant to
3030 subsection (a) of section 16-50k of the general statutes, as amended by
3031 this act. The provisions of section 16a-7c of the general statutes shall
3032 not apply to projects approved pursuant to this section.

3033 (h) All department reviews pursuant to this section shall be
3034 consistent with the principles set forth in sections 16-19, 16-19b and 16-
3035 19c of the general statutes.

3036 Sec. 59. (*Effective July 1, 2007*) (a) On and after July 1, 2009, if the
3037 Department of Public Utility Control does not receive and approve
3038 proposals pursuant to the requests for proposals processes, pursuant
3039 to section 58 of this act, sufficient to reach the goal set by the plan
3040 approved pursuant to section 55 of this act, the department shall order
3041 an electric distribution company to submit for the department's review
3042 in a contested case proceeding, in accordance with chapter 54 of the
3043 general statutes, a proposal to develop demand response, energy
3044 efficiency and load management or build new, expanded or repowered
3045 cost-of-service electric generation in the state. Each electric distribution
3046 company shall be entitled to recover its prudently incurred costs
3047 consistent with the principles set forth in section 16-19e of the general
3048 statutes, as amended by this act.

3049 (b) On or before January 1, 2008, the department shall initiate a
3050 contested case proceeding to determine the costs and benefits of the
3051 state serving as the builder of last resort for the shortfall of megawatts
3052 from said request for proposal process.

3053 Sec. 60. (NEW) (*Effective July 1, 2007*) (a) On or before October 1,
3054 2007, the Department of Public Utility Control shall establish a plan to
3055 implement a voluntary rate program that will add a fourth tier to the
3056 rates required pursuant to section 16-243n of the general statutes, as
3057 amended by this act. Said program shall (1) establish the surcharge on
3058 peak rates, which shall apply to high-demand peak days, for
3059 customers choosing to participate, (2) encourage a shift of demand,
3060 and (3) include an educational component.

3061 (b) The department shall establish parameters for the program
3062 established in subsection (a) of this section, including, but not limited
3063 to, facilitating the delivery of meters and ensuring revenue neutrality
3064 within and across rate classes.

3065 Sec. 61. Section 16a-7c of the general statutes is amended by adding
3066 subsection (g) as follows (*Effective July 1, 2007*):

3067 (NEW) (g) When evaluating submissions pursuant to subsection (f)
3068 of this section for a facility described in subdivision (3) of subsection
3069 (a) of section 16-50i that are in excess of sixty-five megawatts, the
3070 board shall perform a net energy analysis for each proposal. Such
3071 analysis shall include calculations of all embodied energy
3072 requirements used in the materials for initial construction of the
3073 facility over its projected useful lifetime. The analysis shall be
3074 expressed in a dimensionless unit as an energy profit ratio of energy
3075 generated by the facility to the calculated net energy expended in plant
3076 construction, maintenance and total fuel cycle energy requirements
3077 over the projected useful lifetime of the facility. The boundary for both
3078 the net energy calculations of the fuel cycle and materials for the
3079 facility construction and maintenance shall both be at the point of
3080 primary material extraction and include the energy consumed through
3081 the entire supply chain to final, but not be limited to, such subsequent
3082 steps as transportation, refinement and energy for delivery to the end
3083 consumer. The results of said net energy analysis shall be included in
3084 the results forwarded to the Connecticut Siting Council pursuant to
3085 subsection (f) of this section. For purposes of this subsection, "facility
3086 net energy" means the heat energy delivered by the facility contained
3087 in a fuel minus the life cycle energy used to produce the facility. "Fuel
3088 net energy" means the heat energy contained in a fuel minus the
3089 energy used to extract the fuel from the environment, refine it to a
3090 socially useful state and deliver it to consumers, and "embodied
3091 energy" means the total energy used to build and maintain a process,
3092 expressed in calorie equivalents of one type of energy.

3093 Sec. 62. Subsection (b) of section 16a-7c of the general statutes is

3094 repealed and the following is substituted in lieu thereof (*Effective July*
3095 *1, 2007*):

3096 (b) On or after December 1, 2004, not later than fifteen days after the
3097 filing of an application pursuant to subdivision (1) of subsection (a) of
3098 section 16-50i, except for an application for a facility described in
3099 subdivision (5) or (6) of subsection (a) of section 16-50i or projects
3100 approved pursuant to sections 55 and 56 of this act, the Connecticut
3101 Energy Advisory Board shall issue a request-for-proposal to seek
3102 alternative solutions to the need that will be addressed by the
3103 proposed facility in such application. Such request-for-proposal shall,
3104 where relevant, solicit proposals that include distributed generation or
3105 energy efficiency measures. The board shall publish such request-for-
3106 proposal in one or more newspapers or periodicals, as selected by the
3107 board. Any facility generating not more than five megawatts and any
3108 electric transmission line, electric generation facility or electric
3109 substation otherwise constituting a facility as described in subsection
3110 (a) of section 16-50i that, as part of the proceeding conducted pursuant
3111 to section 9 of this act and in accordance with this subsection, shall be
3112 determined by the Connecticut Siting Council and the Department of
3113 Public Utility Control to be required for the reliability of electric
3114 supply to critical national defense and homeland security
3115 infrastructure shall be exempt from the request for proposal process
3116 described in this subsection and exempt from the municipal
3117 participation fee requirements of subdivision (1) of subsection (a) of
3118 section 16-50l, as amended by this act. Such determination shall be
3119 made on or before December 31, 2007. Notwithstanding the provisions
3120 of this subsection, the board, by a vote of two-thirds of the members
3121 present and voting, may determine that a request for proposal is
3122 unnecessary for a specific application because the process is not likely
3123 to result in a reasonable alternative to the proposed facility. On or
3124 before December 1, 2007, after seeking public comment, the board shall
3125 approve additional criteria for considering whether a request for
3126 proposal process should not be required for a specific application. Any
3127 determination that a request-for-proposal is not required shall include

3128 the board's reasons for such determination.

3129 Sec. 63. Subdivision (2) of subsection (a) of section 16-50l of the
3130 general statutes is repealed and the following is substituted in lieu
3131 thereof (*Effective July 1, 2007*):

3132 (2) On or after December 1, 2004, the filing of an application
3133 pursuant to subdivision (1) of this subsection shall initiate the request-
3134 for-proposal process, except for an application for a facility described
3135 in subdivision (4), (5) or (6) of subsection (a) of section 16-50i and
3136 except for a facility exempt from such requirement pursuant to
3137 subsection (b) of section 16a-7c, as amended by this act.

3138 Sec. 64. (NEW) (*Effective from passage*) (a) Notwithstanding the
3139 provisions of title 22a of the general statutes, the Department of
3140 Environmental Protection shall review and issue a final decision no
3141 later than one hundred twenty days following the submission of a
3142 complete and accurate application with respect to each permit
3143 application filed with said department between September 1, 2007, and
3144 January 1, 2010, inclusive, which is required for the installation of
3145 emergency electric generation and distributed resources, as defined in
3146 section 16-1 of the general statutes, as amended by this act, to be
3147 offered in the locational forward reserve market including systems that
3148 utilize fossil fuels as the primary fuel source. Any such permit issued
3149 as directed by this section shall have a term of no less than three years.

3150 (b) The Department of Environmental Protection shall notify the
3151 Department of Public Utility Control not later than September 1, 2007,
3152 of the acceptable pollution control equipment or measures applicable
3153 to the various types of emergency electric generation resources that
3154 may participate in the locational forward reserve market.

3155 Sec. 65. (NEW) (*Effective July 1, 2007*) On or before September 1,
3156 2007, the chairperson of the Public Utilities Control Authority and the
3157 Commissioner of Environmental Protection shall enter into a
3158 collaborative memorandum of understanding allowing for the timely
3159 permitting and operation of emergency electric generation resources as

3160 dispatchable resources available to participate in the locational
3161 Forward Reserve Market administered by the regional independent
3162 system operator, the timely installation and coordination of pollution
3163 control equipment or measures as deemed appropriate on such
3164 resources, and any necessary regulatory reviews and approvals. The
3165 objectives of the collaborative memorandum of understanding shall be
3166 to maximize the savings to the state's electric ratepayers and to benefit
3167 the state's economy as a whole, while recognizing the agencies' mutual
3168 goals of promoting a healthy economy by reducing the cost of
3169 electricity while preserving and improving the environment. The
3170 memorandum shall recognize that electric reliability charges in
3171 Connecticut largely arise because the regional independent system
3172 operator has determined that all electric generation in the state is
3173 needed to meet operational reliability requirements of the
3174 interconnected electric system and there is insufficient "quick start"
3175 electric generation capacity within the state to allow the system to
3176 recover from contingency outages of large generating units or
3177 transmission lines and further recognize that entities with operations
3178 within the state have registered with the Department of Environmental
3179 Protection a significant number of resources able to synchronize to the
3180 transmission grid and commence the generation of electricity within
3181 thirty minutes or less of a request, where the regional independent
3182 system operator currently does not recognize such resources because
3183 they are not represented in the energy management system
3184 administered. The chairperson and the commissioner of the respective
3185 state agencies shall incorporate into and include for consideration in
3186 the collaborative memorandum of understanding an estimation of the
3187 emissions reductions resulting from not using steam driven fossil
3188 fueled generating units in a reserve and spinning status to meet the
3189 quick start generating needs of the state, the estimated emissions from
3190 the use of emergency generation operating under the locational
3191 forward reserve markets of the regional independent system operator,
3192 adders to the dispatch price of the emergency electric generating
3193 resources associated with any incremental environmental emissions
3194 from such facilities and the feasibility of actions required and

3195 estimated costs to remediate some portion of such emergency
3196 generation to comply with Connecticut air quality requirements in
3197 conformance with federal and regional clean air standards. On or
3198 before January 1, 2008, and upon any additional modification to such
3199 memorandum of understanding, said chairperson and said
3200 commissioner shall report on the actions and measures taken pursuant
3201 to the memorandum of understanding directed by this section to the
3202 joint standing committees of the General Assembly having cognizance
3203 of matters relating to energy and the environment in accordance with
3204 the provisions of section 11-4a of the general statutes.

3205 Sec. 66. Section 13a-126 of the general statutes is repealed and the
3206 following is substituted in lieu thereof (*Effective from passage*):

3207 As used in this section, "public service facility" includes all
3208 privately, publicly or cooperatively owned lines, facilities and systems
3209 for producing, transmitting or distributing communications, cable
3210 television, power, electricity, light, heat, gas, oil, crude products,
3211 water, steam, waste, storm water not connected with highway
3212 drainage and any other similar commodities, including fire and police
3213 signal systems and street lighting systems which directly or indirectly
3214 serve the public. Whenever the commissioner determines that any
3215 public service facility located within, on, along, over or under any land
3216 comprising the right-of-way of a state highway or any other public
3217 highway when necessitated by the construction or reconstruction of a
3218 state highway shall be readjusted or relocated in or removed from such
3219 right-of-way, the commissioner shall issue an appropriate order to the
3220 company, corporation or municipality owning or operating such
3221 facility, and such company, corporation or municipality shall readjust,
3222 relocate or remove the same promptly in accordance with such order;
3223 provided an equitable share of the cost of such readjustment,
3224 relocation or removal, including the cost of installing and constructing
3225 a facility of equal capacity in a new location, shall be borne by the
3226 state, except that the state shall not bear any share of the cost of a
3227 project of an electric distribution company, as defined in section 16-1,
3228 as amended by this act, to readjust, relocate or remove any facility, as

3229 defined in subsection (a) of section 16-50i, used for transmitting
3230 electricity or as an electric transmission trunkline. The Department of
3231 Transportation shall evaluate the total costs of such a project, including
3232 department costs for construction or reconstruction and electric
3233 distribution company costs for readjusting, relocating or removing
3234 such facility, so as to minimize the overall costs incurred by the state
3235 and the electric distribution company. The electric distribution
3236 company may provide the department with proposed alternatives to
3237 the relocation, readjustment or removal proposed by the department
3238 and shall be responsible for any changes to project costs attributable to
3239 adoption of the company's proposed alternative designs for such
3240 project, including changes to the area of the relocation, readjustment or
3241 removal and any incremental costs incurred by the department to
3242 evaluate such alternatives. If such electric distribution company and
3243 the department cannot agree on a plan for such project, the
3244 Commissioner of Transportation and the chairperson of the
3245 Department of Public Utility Control shall, on request of the company,
3246 jointly determine the alternative for the project. Such equitable share,
3247 in the case of or in connection with the construction or reconstruction
3248 of any limited access highway, shall be the entire cost, less the
3249 deductions provided in this section, and, in the case of or in connection
3250 with the construction or reconstruction of any other state highway,
3251 shall be such portion or all of the entire cost, less the deductions
3252 provided in this section, as may be fair and just under all the
3253 circumstances, but shall not be less than fifty per cent of such cost after
3254 the deductions provided in this section. In establishing the equitable
3255 share of the cost to be borne by the state, there shall be deducted from
3256 the cost of the readjusted, relocated or removed facilities a sum based
3257 on a consideration of the value of materials salvaged from existing
3258 installations, the cost of the original installation, the life expectancy of
3259 the original facility and the unexpired term of such life use. When any
3260 facility is removed from the right-of-way of a public highway to a
3261 private right-of-way, the state shall not pay for such private right-of-
3262 way, provided, when a municipally-owned facility is thus removed
3263 from a municipally-owned highway, the state shall pay for the private

3264 right-of-way needed by the municipality for such relocation. If the
3265 commissioner and the company, corporation or municipality owning
3266 or operating such facility cannot agree upon the share of the cost to be
3267 borne by the state, either may apply to the superior court for the
3268 judicial district within which such highway is situated, or, if said court
3269 is not in session, to any judge thereof, for a determination of the cost to
3270 be borne by the state, and said court or such judge, after causing notice
3271 of the pendency of such application to be given to the other party, shall
3272 appoint a state referee to make such determination. Such referee,
3273 having given at least ten days' notice to the parties interested of the
3274 time and place of the hearing, shall hear both parties, shall view such
3275 highway, shall take such testimony as such referee deems material and
3276 shall thereupon determine the amount of the cost to be borne by the
3277 state and immediately report to the court. If the report is accepted by
3278 the court, such determination shall, subject to right of appeal as in civil
3279 actions, be conclusive upon both parties.

3280 Sec. 67. (NEW) (*Effective July 1, 2007*) Notwithstanding any
3281 limitation imposed by its charter, each domestic electric company is
3282 authorized and empowered to generate and transmit electric energy,
3283 and to acquire utility facilities necessary or convenient for the
3284 purposes of its electric utility business or undivided interest therein
3285 and to operate the same, anywhere within or without this state,
3286 provided nothing in this section shall be construed to authorize such a
3287 company to deliver electric energy or sell electric energy in this state to
3288 any person, or any area, except as otherwise authorized by its charter
3289 or the general statutes. For purposes of this section, "domestic electric
3290 company" means an electric company or electric distribution company,
3291 as defined in section 16-1 of the general statutes, as amended by this
3292 act, any membership electric cooperative organized under chapter 597
3293 of the general statutes and any municipal electric utility or municipal
3294 electric energy cooperative, as defined respectively in section 7-233b of
3295 the general statutes that has been chartered by or organized or
3296 constituted within or under the laws of this state.

3297 Sec. 68. Subsection (e) of section 16-2 of the general statutes is

3298 repealed and the following is substituted in lieu thereof (*Effective*
3299 *October 1, 2007*):

3300 (e) To insure the highest standard of public utility regulation, [on
3301 and after July 1, 1997, at least three of the commissioners] each
3302 commissioner of the authority appointed on or after October 1, 2007,
3303 shall have education or training and three or more years of experience
3304 in one or more of the following fields: Economics, engineering, law,
3305 accounting, finance, utility regulation, public or government
3306 administration, consumer advocacy, business management, and
3307 environmental management. On and after July 1, 1997, at least three of
3308 these fields shall be represented on the authority by individual
3309 commissioners at all times. At least one of the commissioners shall
3310 have experience in utility customer advocacy at all times.

3311 Sec. 69. (*Effective July 1, 2007*) Not later than January 1, 2008, the
3312 Connecticut Energy Advisory Board shall conduct a study to develop
3313 recommendations on how to (1) coordinate and integrate the state's
3314 energy entities; (2) achieve the goals of (A) the Regional Greenhouse
3315 Gas Initiative, and (B) the state, with regard to the reduction of
3316 emissions of greenhouse gas, as provided by section 22a-200a of the
3317 general statutes; and (3) promote indigenous alternative fuel resources.
3318 The board shall submit a report containing its recommendations,
3319 including recommendations for legislation, to the joint standing
3320 committee of the General Assembly having cognizance of matters
3321 relating to energy and technology not later than January 1, 2009.

3322 Sec. 70. (*Effective from passage*) (a) Not later than July 1, 2007, the
3323 Connecticut Energy Advisory Board shall conduct a study on the
3324 efficacy, innovativeness and customer focus on electric conservation
3325 programs. The board shall hold a public hearing on such matters. In
3326 the study, the board shall investigate the options of (1) selecting a
3327 state-wide provider of conservation programs through a competitive
3328 process, which shall be open to electric distribution companies, the
3329 Connecticut Municipal Electrical Energy Cooperative and other
3330 entities; (2) retaining the current delivery system for conservation

3331 programs; and (3) having a nonprofit organization provide the
3332 conservation programs.

3333 (b) The board shall submit a report containing its findings to the
3334 joint standing committee of the General Assembly having cognizance
3335 of matters relating to energy and technology not later than February 1,
3336 2008.

3337 Sec. 71. (*Effective October 1, 2007*) Not later than January 1, 2009, the
3338 Department of Public Utility Control shall study (A) the efficacy and
3339 rate impact of last resort service provided pursuant to subsection (e) of
3340 section 16-244c of the general statutes, as amended by this act,
3341 including, but not limited to, the service's effect on the ability of this
3342 service to meet the needs of commercial and industrial customers and
3343 the development of a competitive electric supply marketplace with
3344 competitive suppliers and products, (B) the efficacy and rate impact of
3345 standard service pursuant to subsection (c) of section 16-244c of the
3346 general statutes, as amended by this act, including, but not limited to,
3347 the service's success in meeting performance with respect to the
3348 standards set forth in section 16-244c of the general statutes, as
3349 amended by this act, and (C) the costs and impact of retail competition
3350 on small business and residential consumers, including rates and
3351 volatility, and compare that analysis to the experience in other states.
3352 The department shall report on the results of said study to the joint
3353 standing committee of the General Assembly having cognizance of
3354 matters relating to energy not later than February 1, 2008.

3355 Sec. 72. (NEW) (*Effective July 1, 2007*) (a) The Department of
3356 Education, in consultation with the Energy Conservation Management
3357 Board, established pursuant to section 16-245m of the general statutes,
3358 and the Department of Public Utility Control, shall establish a plan for
3359 providing compact fluorescent light bulbs at low or no cost to schools
3360 in the state for the purpose of a state-wide school fundraiser. The
3361 Department of Education shall report the details of said plan to the
3362 Energy Conservation Management Board and the joint standing
3363 committees of the General Assembly having cognizance of matters

3364 relating to energy and education on or before February 1, 2008.

3365 (b) On or before June 1, 2008, the Energy Conservation Management
3366 Board, in consultation with the Department of Public Utility Control
3367 and the Department of Education, shall develop and implement a
3368 state-wide fundraiser pursuant to the plan submitted pursuant to
3369 subsection (a) of this section, for all public schools, in which students
3370 would sell compact fluorescent light bulbs. Said fundraiser shall be
3371 held in the 2008-2009 school year and annually thereafter. The
3372 participating schools would earn a portion of each sale.

3373 Sec. 73. (NEW) (*Effective July 1, 2007*) On or before October 1, 2007,
3374 the Department of Public Utility Control shall initiate a contested case
3375 proceeding to design a cost-effective revenue adjustment mechanism
3376 to provide additional flexibility within the link between sales levels
3377 and the recovery of costs for electric distribution companies. The
3378 department shall develop for each electric distribution company a
3379 revenue adjustment mechanism that adjusts billed revenues associated
3380 with the distribution component of rates to the gross revenues based
3381 on the rate decision and shall provide for an annual true-up of billed
3382 revenues compared to the base level for deviations from the base level
3383 directly resulting from new or ongoing energy efficiency, conservation,
3384 demand response or load management initiatives implemented by the
3385 company. On or before March 1, 2008, the Energy Conservation
3386 Management Board shall provide such deviations to the department.
3387 The department may implement the revenue adjustment mechanism if
3388 it determines such a mechanism to be in the best interest of ratepayers
3389 pursuant to the principles set forth in sections 16-19, 16-19b and 16-19e
3390 of the general statutes, as amended by this act. To assure the cost basis
3391 for Financial Accounting Standards 71 purposes, any over collection or
3392 under collection of the per-customer revenue shall be adjusted through
3393 a per kilowatt-hour charge or credit in the subsequent year. The
3394 accounting recognition of the impact of the mechanism shall be made
3395 in the year in which the sales actually occurred. The base level of
3396 revenues per customer shall be reset in each department decision
3397 modifying the company's distribution rates. On or before February 1,

3398 2010, the department shall report to the joint standing committee of the
3399 General Assembly having cognizance of matters relating to energy
3400 regarding said mechanism and the use thereof. The department shall
3401 use the existence of the mechanism as a factor in determining the
3402 company's authorized rate of return.

3403 Sec. 74. Subsection (a) of section 16-50k of the general statutes is
3404 repealed and the following is substituted in lieu thereof (*Effective*
3405 *October 1, 2007*):

3406 (a) Except as provided in subsection (b) of section 16-50z, no person
3407 shall exercise any right of eminent domain in contemplation of,
3408 commence the preparation of the site for, [or] commence the
3409 construction or supplying of a facility, or commence any modification
3410 of a facility, that may, as determined by the council, have a substantial
3411 adverse environmental effect in the state without having first obtained
3412 a certificate of environmental compatibility and public need,
3413 hereinafter referred to as a "certificate", issued with respect to such
3414 facility or modification by the council. [, except] Certificates shall not
3415 be required for (1) fuel cells built within the state with a generating
3416 capacity of two hundred fifty kilowatts or less, or (2) fuel cells built
3417 elsewhere with a generating capacity of ten kilowatts or less. [which
3418 shall not require such certificate.] Any facility with respect to which a
3419 certificate is required shall thereafter be built, maintained and operated
3420 in conformity with such certificate and any terms, limitations or
3421 conditions contained therein. Notwithstanding the provisions of this
3422 chapter or title 16a, the council shall, in the exercise of its jurisdiction
3423 over the siting of generating facilities, approve by declaratory ruling
3424 [(1)] (A) the construction of a facility solely for the purpose of
3425 generating electricity, other than an electric generating facility that
3426 uses nuclear materials or coal as fuel, at a site where an electric
3427 generating facility operated prior to July 1, 2004, [(2)] (B) the
3428 construction or location of any fuel cell, unless the council finds a
3429 substantial adverse environmental effect, or of any customer-side
3430 distributed resources project or facility or grid-side distributed
3431 resources project or facility with a capacity of not more than sixty-five

3432 megawatts, as long as such project meets air and water quality
3433 standards of the Department of Environmental Protection, and [(3)] (C)
3434 the siting of temporary generation solicited by the Department of
3435 Public Utility Control pursuant to section 16-19ss, as amended by this
3436 act.

3437 Sec. 75. Subdivision (6) of subsection (a) of section 16-244e of the
3438 general statutes is repealed and the following is substituted in lieu
3439 thereof (*Effective July 1, 2007*):

3440 (6) Once unbundling is completed to the satisfaction of the
3441 department and consistent with the provisions of section 16-244, [(A)]
3442 any corporate affiliate or separate division that provides electric
3443 generation services as a result of unbundling pursuant to this
3444 subsection shall be considered a generation entity or affiliate of the
3445 electric company, and the division or corporate affiliate of the electric
3446 company that provides transmission and distribution services shall be
3447 considered an electric distribution company. [, and (B) an electric
3448 distribution company shall not own or operate generation assets,
3449 except as provided in this section and section 16-243m.]

3450 Sec. 76. Section 16-19ss of the general statutes is repealed and the
3451 following is substituted in lieu thereof (*Effective July 1, 2007*):

3452 (a) The Department of Public Utility Control may, from July 1, 2003,
3453 to January 1, 2008, inclusive, determine, by an affirmative vote of four
3454 commissioners of the Public Utilities Control Authority, that (1) safe,
3455 adequate and reasonably priced electricity is not available on the
3456 wholesale market; (2) additional temporary electric generation
3457 facilities will result in reductions in federally mandated congestion
3458 costs for which the ratepayers of the state are responsible; and (3) the
3459 prices and costs specified in subdivision (2) of this subsection will
3460 exceed the cost of investment in temporary electric generation
3461 facilities. Such determination shall be in writing and shall state the
3462 reasons supporting the determination.

3463 (b) Upon issuing a determination pursuant to subsection (a) of this

3464 section, the department shall hold a contested case proceeding, in
3465 accordance with the provisions of chapter 54, to develop a request for
3466 proposal to solicit the provision of such additional temporary electric
3467 generation facilities, containing such terms and conditions that will
3468 best serve the interests of the public. The request for proposal process
3469 shall be designed to ensure fairness and full participation by all
3470 qualified responders.

3471 (c) The department may negotiate for terms and conditions
3472 necessary to conclude a transaction with one or more entities
3473 responding to a request for proposal, after notice to all entities that
3474 responded. The department shall base its decision to conclude a
3475 transaction on the best interest of the public and ratepayers.

3476 [(d) Nothing in this section shall be construed to allow an electric
3477 distribution company to own, operate, lease or control any facility or
3478 asset that generates electricity, or retain any interest in such facility or
3479 asset as part of any transaction concluded pursuant to this section,
3480 except as provided in subsection (e) of section 16-244e and section 16-
3481 243m.]

3482 Sec. 77. Section 1 of public act 05-2 of the October 25 special session
3483 is repealed and the following is substituted in lieu thereof (*Effective July*
3484 *1, 2007*):

3485 Notwithstanding the provisions of sections 4-28b and 16a-41a of the
3486 general statutes, the Commissioner of Social Services shall [amend the
3487 adopted] adopt a low income home energy assistance program block
3488 grant allocation plan for the [purpose of modifying the 2005/2006]
3489 2007/2008 Connecticut energy assistance program state plan in the
3490 following manner: (1) To increase the basic benefit provided to all
3491 eligible households, including eligible households whose heat is
3492 included in their rent, over the benefit provided for the 2005/2006
3493 plan, prior to the amendment of said plan, by two hundred dollars, (2)
3494 to fund, for the fiscal year ending June 30, 2008, the contingency
3495 heating assistance program under the Connecticut energy assistance

3496 program to provide a three hundred dollar basic benefit to eligible
3497 households, as defined in the Connecticut energy assistance program
3498 state plan, whose gross annual income is not more than sixty per cent
3499 of the median state income by household size, and an additional two
3500 hundred dollar crisis assistance benefit for such households who have
3501 exhausted their basic benefit and are unable to secure primary heat,
3502 causing a life threatening situation, (3) to increase the number of
3503 households weatherized pursuant to the Connecticut energy assistance
3504 program, and (4) to increase the number of households receiving home
3505 heating equipment tune-ups and home energy efficiency measures
3506 pursuant to the home energy assistance and reimbursements for tune-
3507 ups on heating equipment grant program as administered pursuant to
3508 subsection (c) of section 2 of [this act] public act 05-2 of the October 25
3509 special session, as amended by section 1 of public act 05-4 of the
3510 October 25 special session.

3511 Sec. 78. Section 16a-41a of the general statutes is repealed and the
3512 following is substituted in lieu thereof (*Effective July 1, 2007*):

3513 (a) The Commissioner of Social Services shall submit to the joint
3514 standing committees of the General Assembly having cognizance of
3515 energy planning and activities, appropriations, and human services the
3516 following on the implementation of the block grant program
3517 authorized under the Low-Income Home Energy Assistance Act of
3518 1981, as amended:

3519 (1) Not later than August first, annually, a Connecticut energy
3520 assistance program annual plan which establishes guidelines for the
3521 use of funds authorized under the Low-Income Home Energy
3522 Assistance Act of 1981, as amended, and includes the following:

3523 (A) Criteria for determining which households are to receive
3524 emergency and weatherization assistance;

3525 (B) A description of systems used to ensure referrals to other energy
3526 assistance programs and the taking of simultaneous applications, as
3527 required under section 16a-41;

3528 (C) A description of outreach efforts;

3529 (D) Estimates of the total number of households eligible for
3530 assistance under the program and the number of households in which
3531 one or more elderly or physically disabled individuals eligible for
3532 assistance reside; and

3533 (E) Design of a basic grant for eligible households that does not
3534 discriminate against such households based on the type of energy used
3535 for heating;

3536 (2) Not later than January thirtieth, annually, a report covering the
3537 preceding months of the program year, including:

3538 (A) In each community action agency geographic area and
3539 Department of Social Services region, the number of fuel assistance
3540 applications filed, approved and denied, the number of emergency
3541 assistance requests made, approved and denied and the number of
3542 households provided weatherization assistance;

3543 (B) In each such area and district, the total amount of fuel,
3544 emergency and weatherization assistance, itemized by such type of
3545 assistance, and total expenditures to date; and

3546 (C) For each state-wide office of each state agency administering the
3547 program, each community action agency and each Department of
3548 Social Services region, administrative expenses under the program, by
3549 line item, and an estimate of outreach expenditures; and

3550 (3) Not later than November first, annually, a report covering the
3551 preceding twelve calendar months, including:

3552 (A) In each community action agency geographic area and
3553 Department of Social Services region, (i) seasonal totals for the
3554 categories of data submitted under subdivision (1) of this subsection,
3555 (ii) the number of households receiving fuel assistance in which elderly
3556 or physically disabled individuals reside, and (iii) the average
3557 combined benefit level of fuel, emergency and renter assistance;

- 3558 (B) Types of weatherization assistance provided;
- 3559 (C) Percentage of weatherization assistance provided to tenants;
- 3560 (D) The number of homeowners and tenants whose heat or total
3561 energy costs are not included in their rent receiving fuel and
3562 emergency assistance under the program by benefit level;
- 3563 (E) The number of homeowners and tenants whose heat is included
3564 in their rent and who are receiving assistance, by benefit level; and
- 3565 (F) The number of households receiving assistance, by energy type
3566 and total expenditures for each energy type.
- 3567 (b) The Commissioner of Social Services shall implement a program
3568 to purchase [number two home heating oil at a reduced rate for low-
3569 income households participating in the Connecticut energy assistance
3570 program and the state-appropriated fuel assistance program. Each
3571 agency administering a fuel assistance program shall submit reports,
3572 as requested by the commissioner, concerning pricing information
3573 from vendors of number two home heating oil participating in the
3574 program. Such information shall include, but not be limited to, a
3575 vendor's regular retail price per gallon of number two home heating
3576 oil, the reduced price per gallon paid by the state for the heating oil,
3577 the number of gallons delivered to the state under the program and the
3578 total savings under the program due to the purchase of number two
3579 home heating oil at a reduced rate] deliverable fuel for low-income
3580 households participating in the Connecticut energy assistance program
3581 and the state-appropriated fuel assistance program. The commissioner
3582 shall ensure that all fuel assistance recipients are treated the same as
3583 any other similarly situated customer and that no fuel vendor
3584 discriminates against fuel assistance program recipients who are under
3585 the vendor's standard payment, delivery, service or other similar
3586 plans. The commissioner shall take advantage of programs offered by
3587 fuel vendors that reduce the cost of the fuel purchased, including, but
3588 not limited to, fixed price, capped price, prepurchase or summer-fill
3589 programs that reduce program cost and that make the maximum use

3590 of program revenues. The commissioner shall ensure that all agencies
3591 administering the fuel assistance program shall make payments to
3592 program fuel vendors in advance of the delivery of energy where
3593 vendor provided price-management strategies require payments in
3594 advance.

3595 (c) Each community action agency administering a fuel assistance
3596 program shall submit reports, as requested by the Commissioner of
3597 Social Services, concerning pricing information from vendors of
3598 deliverable fuel participating in the program. Such information shall
3599 include, but not be limited to, the state-wide or regional retail price per
3600 unit of deliverable fuel, the reduced price per unit paid by the state for
3601 the deliverable fuel in utilizing price management strategies offered by
3602 program vendors for all consumers, the number of units delivered to
3603 the state under the program and the total savings under the program
3604 due to the purchase of deliverable fuel utilizing price-management
3605 strategies offered by program vendors for all consumers.

3606 (d) Each community action agency administering a fuel assistance
3607 program shall begin accepting applications for the program not later
3608 than September first of each year.

3609 Sec. 79. Section 16-262c of the general statutes is repealed and the
3610 following is substituted in lieu thereof (*Effective October 1, 2007*):

3611 (a) Notwithstanding any other provision of the general statutes no
3612 electric, electric distribution, gas, telephone or water company, no
3613 electric supplier or certified telecommunications provider, and no
3614 municipal utility furnishing electric, gas, telephone or water service
3615 shall cause cessation of any such service by reason of delinquency in
3616 payment for such service (1) on any Friday, Saturday, Sunday, legal
3617 holiday or day before any legal holiday, provided such a company,
3618 electric supplier, certified telecommunications provider or municipal
3619 utility may cause cessation of such service to a nonresidential account
3620 on a Friday which is not a legal holiday or the day before a legal
3621 holiday when the business offices of the company, electric supplier,

3622 certified telecommunications provider or municipal utility are open to
3623 the public the succeeding Saturday, (2) at any time during which the
3624 business offices of said company, electric supplier, certified
3625 telecommunications provider or municipal utility are not open to the
3626 public, or (3) within one hour before the closing of the business offices
3627 of said company, electric supplier or municipal utility.

3628 (b) (1) From November first to [April fifteenth] May first, inclusive,
3629 no electric or electric distribution company, as defined in section 16-1,
3630 as amended by this act, no electric supplier and no municipal utility
3631 furnishing electricity shall terminate or refuse to reinstate residential
3632 electric service in hardship cases where the customer lacks the
3633 financial resources to pay his or her entire account. From November
3634 first to [April fifteenth] May first, inclusive, no gas company and no
3635 municipal utility furnishing gas shall terminate or refuse to reinstate
3636 residential gas service in hardship cases where the customer uses such
3637 gas for heat and lacks the financial resources to pay his or her entire
3638 account, except a gas company that, between [April sixteenth] May
3639 second and October thirty-first, terminated gas service to a residential
3640 customer who uses gas for heat and who, during the previous period
3641 of November first to [April fifteenth] May first, had gas service
3642 maintained because of hardship status, may refuse to reinstate the gas
3643 service from November first to [April fifteenth] May first, inclusive,
3644 only if the customer has failed to pay, since the preceding November
3645 first, the lesser of: (A) Twenty per cent of the outstanding principal
3646 balance owed the gas company as of the date of termination, (B) one
3647 hundred dollars, or (C) the minimum payments due under the
3648 customer's amortization agreement. Notwithstanding any other
3649 provision of the general statutes to the contrary, no electric, electric
3650 distribution or gas company, no electric supplier and no municipal
3651 utility furnishing electricity or gas shall terminate or refuse to reinstate
3652 residential electric or gas service where the customer lacks the financial
3653 resources to pay his or her entire account and for which customer or a
3654 member of the customer's household the termination or failure to
3655 reinstate such service would create a life-threatening situation.

3656 (2) During any period in which a residential customer is subject to
3657 termination, an electric, electric distribution or gas company, an
3658 electric supplier or a municipal utility furnishing electricity or gas shall
3659 provide such residential customer whose account is delinquent an
3660 opportunity to enter into a reasonable amortization agreement with
3661 such company, electric supplier or utility to pay such delinquent
3662 account and to avoid termination of service. Such amortization
3663 agreement shall allow such customer adequate opportunity to apply
3664 for and receive the benefits of any available energy assistance
3665 program. An amortization agreement shall be subject to amendment
3666 on customer request if there is a change in the customer's financial
3667 circumstances.

3668 (3) As used in this section, (A) "household income" means the
3669 combined income over a twelve-month period of the customer and all
3670 adults, except children of the customer, who are and have been
3671 members of the household for six months or more, and (B) "hardship
3672 case" includes, but is not limited to: (i) A customer receiving local, state
3673 or federal public assistance; (ii) a customer whose sole source of
3674 financial support is Social Security, Veterans' Administration or
3675 unemployment compensation benefits; (iii) a customer who is head of
3676 the household and is unemployed, and the household income is less
3677 than three hundred per cent of the poverty level determined by the
3678 federal government; (iv) a customer who is seriously ill or who has a
3679 household member who is seriously ill; (v) a customer whose income
3680 falls below one hundred twenty-five per cent of the poverty level
3681 determined by the federal government; and (vi) a customer whose
3682 circumstances threaten a deprivation of food and the necessities of life
3683 for himself or dependent children if payment of a delinquent bill is
3684 required.

3685 (4) In order for a residential customer of a gas or electric distribution
3686 company using gas or electricity for heat to be eligible to have any
3687 moneys due and owing deducted from the customer's delinquent
3688 account pursuant to this subdivision, the company furnishing gas or
3689 electricity shall require that the customer (A) apply and be eligible for

benefits available under the Connecticut energy assistance program or state appropriated fuel assistance program; (B) authorize the company to send a copy of the customer's monthly bill directly to any energy assistance agency for payment; (C) enter into and comply with an amortization agreement, which agreement is consistent with decisions and policies of the Department of Public Utility Control. Such an amortization agreement shall reduce a customer's payment by the amount of the benefits reasonably anticipated from the Connecticut energy assistance program, state appropriated fuel assistance program or other energy assistance sources. Unless the customer requests otherwise, the company shall budget a customer's payments over a twelve-month period with an affordable increment to be applied to any arrearage, provided such payment plan will not result in loss of any energy assistance benefits to the customer. If a customer authorizes the company to send a copy of his monthly bill directly to any energy assistance agency for payment, the energy assistance agency shall make payments directly to the company. If, on April thirtieth, a customer has been in compliance with the requirements of subparagraphs (A) to (C), inclusive, of this subdivision, during the period starting on the preceding November first, or from such time as the customer's account becomes delinquent, the company shall deduct from such customer's delinquent account an additional amount equal to the amount of money paid by the customer between the preceding November first and April thirtieth and paid on behalf of the customer through the Connecticut energy assistance program and state appropriated fuel assistance program. Any customer in compliance with the requirements of subparagraphs (A) to (C), inclusive, of this subdivision, on April thirtieth who continues to comply with an amortization agreement through the succeeding October thirty-first, shall also have an amount equal to the amount paid pursuant to such agreement and any amount paid on behalf of such customer between May first and the succeeding October thirty-first deducted from the customer's delinquent account. In no event shall the deduction of any amounts pursuant to this subdivision result in a credit balance to the customer's account. No customer shall be denied the benefits of this

3725 subdivision due to an error by the company. The Department of Public
3726 Utility Control shall allow the amounts deducted from the customer's
3727 account pursuant to the implementation plan, described in subdivision
3728 (5) of this subsection, to be recovered by the company in its rates as an
3729 operating expense, pursuant to said implementation plan. If the
3730 customer fails to comply with the terms of the amortization agreement
3731 or any decision of the department rendered in lieu of such agreement
3732 and the requirements of subparagraphs (A) to (C), inclusive, of this
3733 subdivision, the company may terminate service to the customer,
3734 pursuant to all applicable regulations, provided such termination shall
3735 not occur between November first and April fifteenth.

3736 (5) Each gas and electric distribution company shall submit to the
3737 Department of Public Utility Control annually, on or before July first,
3738 an implementation plan which shall include information concerning
3739 amortization agreements, counseling, reinstatement of eligibility, rate
3740 impacts and any other information deemed relevant by the
3741 department. The Department of Public Utility Control may, in
3742 consultation with the Office of Policy and Management, approve or
3743 modify such plan within ninety days of receipt of the plan. If the
3744 department does not take any action on such plan within ninety days
3745 of its receipt, the plan shall automatically take effect at the end of the
3746 ninety-day period, provided the department may extend such period
3747 for an additional thirty days by notifying the company before the end
3748 of the ninety-day period. Any amount recovered by a company in its
3749 rates pursuant to this subsection shall not include any amount
3750 approved by the Department of Public Utility Control as an
3751 uncollectible expense. The department may deny all or part of the
3752 recovery required by this subsection if it determines that the company
3753 seeking recovery has been imprudent, inefficient or acting in violation
3754 of statutes or regulations regarding amortization agreements.

3755 (6) On or after January 1, 1993, the Department of Public Utility
3756 Control may require gas companies to expand the provisions of
3757 subdivisions (4) and (5) of this subsection to all hardship customers.
3758 Any such requirement shall not be effective until November 1, 1993.

3759 (7) (A) All electric, electric distribution and gas companies, electric
3760 suppliers and municipal utilities furnishing electricity or gas shall
3761 collaborate in developing, subject to approval by the Department of
3762 Public Utility Control, standard provisions for the notice of
3763 delinquency and impending termination under subsection (a) of
3764 section 16-262d. Each such company and utility shall place on the front
3765 of such notice a provision that the company, electric supplier or utility
3766 shall not effect termination of service to a residential dwelling for
3767 nonpayment of disputed bills during the pendency of any complaint.
3768 In addition, the notice shall state that the customer must pay current
3769 and undisputed bill amounts during the pendency of the complaint.
3770 (B) At the beginning of any discussion with a customer concerning a
3771 reasonable amortization agreement, any such company or utility shall
3772 inform the customer (i) of the availability of a process for resolving
3773 disputes over what constitutes a reasonable amortization agreement,
3774 (ii) that the company, electric supplier or utility will refer such a
3775 dispute to one of its review officers as the first step in attempting to
3776 resolve the dispute, and (iii) that the company, electric supplier or
3777 utility shall not effect termination of service to a residential dwelling
3778 for nonpayment of a delinquent account during the pendency of any
3779 complaint, investigation, hearing or appeal initiated by the customer,
3780 unless the customer fails to pay undisputed bills, or undisputed
3781 portions of bills, for service received during such period. (C) Each such
3782 company, electric supplier and utility shall inform and counsel all
3783 customers who are hardship cases as to the availability of all public
3784 and private energy conservation programs, including programs
3785 sponsored or subsidized by such companies and utilities, eligibility
3786 criteria, where to apply, and the circumstances under which such
3787 programs are available without cost.

3788 (8) The Department of Public Utility Control shall adopt regulations
3789 in accordance with chapter 54 to carry out the provisions of this
3790 subsection. Such regulations shall include, but not be limited to,
3791 criteria for determining hardship cases and for reasonable
3792 amortization agreements, including appeal of such agreements, for

3793 categories of customers. Such regulations may include the
3794 establishment of a reasonable rate of interest which a company may
3795 charge on the unpaid balance of a customer's delinquent bill and a
3796 description of the relationship and responsibilities of electric suppliers
3797 to customers.

3798 (c) Each electric, electric distribution and gas company, electric
3799 supplier and municipal utility shall, not later than December first,
3800 annually, submit a report to the department and the General Assembly
3801 indicating (1) the number of customers in each of the following
3802 categories and the total delinquent balances for such customers as of
3803 the preceding [April fifteenth] May first: (A) Customers who are
3804 hardship cases and (i) who made arrangements for reasonable
3805 amortization agreements, (ii) who did not make such arrangements,
3806 and (B) customers who are nonhardship cases and who made
3807 arrangements for reasonable amortization, (2) (A) the number of
3808 heating customers receiving energy assistance during the preceding
3809 heating season and the total amount of such assistance, and (B) the
3810 total balance of the accounts of such customers after all energy
3811 assistance is applied to the accounts, (3) the number of hardship cases
3812 reinstated between November first of the preceding year and [April
3813 fifteenth] May first of the same year, the number of hardship cases
3814 terminated between [April fifteenth] May first of the same year and
3815 November first and the number of hardship cases reinstated during
3816 each month from [April] May to November, inclusive, of the same
3817 year, (4) the number of reasonable amortization agreements executed
3818 and the number breached during the same year by (A) hardship cases,
3819 and (B) nonhardship cases, and (5) the number of accounts of (A)
3820 hardship cases, and (B) nonhardship cases for which part or all of the
3821 outstanding balance is written off as uncollectible during the
3822 preceding year and the total amount of such uncollectibles.

3823 (d) Nothing in this section shall (1) prohibit a public service
3824 company, electric supplier or municipal utility from terminating
3825 residential utility service upon request of the customer or in
3826 accordance with section 16-262d upon default by the customer on an

3827 amortization agreement or collecting delinquent accounts through
3828 legal processes, including the processes authorized by section 16-262f,
3829 or (2) relieve such company, electric supplier or municipal utility of its
3830 responsibilities set forth in sections 16-262d and 16-262e to occupants
3831 of residential dwellings or, with respect to a public service company or
3832 electric supplier, the responsibilities set forth in section 19a-109.

3833 (e) No provision of the Freedom of Information Act, as defined in
3834 section 1-200, shall be construed to require or permit a municipal
3835 utility furnishing electric, gas or water service, a municipality
3836 furnishing water or sewer service, a district established by special act
3837 or pursuant to chapter 105 and furnishing water or sewer service or a
3838 regional authority established by special act to furnish water or sewer
3839 service to disclose records under the Freedom of Information Act, as
3840 defined in section 1-200, which identify or could lead to identification
3841 of the utility usage or billing information of individual customers, to
3842 the extent such disclosure would constitute an invasion of privacy.

3843 (f) If an electric supplier suffers a loss of revenue by operation of
3844 this section, the supplier may make a claim for such revenue to the
3845 department. The electric distribution company shall reimburse the
3846 electric supplier for such losses found to be reasonable by the
3847 department at the lower of (1) the price of the contract between the
3848 supplier and the customer, or (2) the electric distribution company's
3849 price to customers for default service, as determined by the
3850 department. The electric distribution company may recover such
3851 reimbursement, along with transaction costs, through the systems
3852 benefits charge.

3853 Sec. 80. Section 12-412 of the general statutes is amended by adding
3854 subdivisions (117) and (118) as follows (*Effective July 1, 2007, and*
3855 *applicable to sales occurring on or after July 1, 2007*):

3856 (NEW) (117) Sales of solar energy electricity generating systems and
3857 passive or active solar water or space heating systems and geo-thermal
3858 resource systems, including equipment related to such systems, and

3859 sales of services relating to the installation of such systems.

3860 (NEW) (118) Sales of ice storage systems used for cooling, including
3861 equipment related to such systems, and sales of services relating to the
3862 installation of such systems by a utility ratepayer who is billed by such
3863 utility on a time-of-service metering basis.

3864 Sec. 81. Section 12-412k of the general statutes is repealed and the
3865 following is substituted in lieu thereof (*Effective June 1, 2007*):

3866 (a) For purposes of this section, "residential weatherization
3867 products" means programmable thermostats, window film, caulking,
3868 window and door weather strips, insulation, water heater blankets,
3869 water heaters, natural gas and propane furnaces and boilers that meet
3870 the federal Energy Star standard, windows and doors that meet the
3871 federal Energy Star standard, oil furnaces and boilers that are not less
3872 than [eighty-five] eighty-four per cent efficient and [ground-based]
3873 ground-source heat pumps that meet the minimum federal energy
3874 efficiency rating.

3875 (b) Notwithstanding the provisions of the general statutes, [from
3876 November 25, 2005, to April 1, 2006, and from June 1, 2006, to June 30,
3877 2007,] the provisions of this chapter shall not apply to sales of any
3878 residential weatherization products or compact fluorescent light bulbs.

3879 Sec. 82. (NEW) (*Effective from passage*) Notwithstanding the
3880 provisions of the general statutes, from the effective date of this section
3881 to June 30, 2008, inclusive, the provisions of chapter 219 of the general
3882 statutes shall not apply to sales of any household appliance that meets
3883 the federal Energy Star standard.

3884 Sec. 83. Section 16-245a of the general statutes is amended by adding
3885 subsection (g) as follows (*Effective from passage*):

3886 (NEW) (g) (1) Notwithstanding the provisions of this section and
3887 section 16-244c, as amended by this act, for periods beginning on and
3888 after January 1, 2008, each electric distribution company may procure

3889 renewable energy certificates from Class I or Class II renewable energy
3890 sources through long-term contracting mechanisms. The electric
3891 distribution companies may enter into long-term contracts for not
3892 more than fifteen years to procure such renewable energy certificates.
3893 For purposes of determining compliance with renewable portfolio
3894 standard requirements the generation associated with the renewable
3895 energy certificates purchased pursuant to this section shall be credited
3896 against the required amounts of output and standard service or
3897 supplier of last resort service, pursuant to subsection (a) of this section,
3898 for the periods which the output and services to which such renewable
3899 energy certificates apply is produced.

3900 (2) On or before July 1, 2007, the department shall initiate a
3901 contested case proceeding to examine the use of long-term contracts to
3902 procure Class I, Class II and Class III certificates. In such examination,
3903 the department shall determine (A) the impact of such contracts on
3904 price stability, fuel diversity and cost; (B) the method and timing of
3905 crediting of the procurement of renewable energy certificates against
3906 the renewable portfolio standard purchase obligations of electric
3907 suppliers and the electric distribution companies pursuant to
3908 subsection (a) of this section; (C) the terms and conditions, including
3909 reasonable performance assurance commitments, to be imposed on
3910 entities seeking to supply renewable energy certificates; (D) the level of
3911 one-time compensation, not to exceed one mill per kilowatt hour of
3912 output and services associated with the renewable energy certificates
3913 purchased pursuant to this subsection, which shall be payable to the
3914 electric distribution companies for administering the procurement
3915 provided for under this subsection and recovered as part of the
3916 generation services charge or through an appropriate nonbypassable
3917 rate component on customers' bills; (E) the manner in which costs for
3918 such program will be recovered from electric distribution company
3919 customers; and (F) any other issues the department deems appropriate.
3920 Revenues from such compensation shall not be included in calculating
3921 the electric distribution companies' earnings to determine if rates are
3922 just and reasonable, for earnings sharing mechanisms or for purposes

3923 of sections 16-19, 16-19a and 16-19e, as amended by this act.

3924 Sec. 84. Section 12-635 of the general statutes is repealed and the
3925 following is substituted in lieu thereof (*Effective July 1, 2007*):

3926 The Commissioner of Revenue Services shall grant a credit against
3927 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or
3928 212 (1) in an amount not to exceed [sixty] one hundred per cent of the
3929 total cash amount invested during the taxable year by the business
3930 firm in programs operated or created pursuant to proposals approved
3931 pursuant to section 12-632 for energy conservation projects directed
3932 toward properties occupied by persons, at least seventy-five per cent
3933 of whom are at an income level not exceeding one hundred fifty per
3934 cent of the poverty level for the year next preceding the year during
3935 which such tax credit is to be granted; [, or] (2) in an amount equal to
3936 one hundred per cent of the total cash amount invested during the
3937 taxable year by the business firm in programs operated or created
3938 pursuant to proposals approved pursuant to section 12-632 for energy
3939 conservation projects at properties owned or occupied by charitable
3940 corporations, foundations, trusts or other entities as determined under
3941 regulations adopted pursuant to this chapter; or (3) in an amount not
3942 to exceed sixty per cent of the total cash amount invested during the
3943 taxable year by the business firm in employment and training
3944 programs directed at youths, at least seventy-five per cent of whom are
3945 at an income level not exceeding one hundred fifty per cent of the
3946 poverty level for the year next preceding the year during which such
3947 tax credit is to be granted; in employment and training programs
3948 directed at handicapped persons as determined under regulations
3949 adopted pursuant to this chapter; in employment and training
3950 programs for unemployed workers who are fifty years of age or older;
3951 in education and employment training programs for recipients in the
3952 temporary family assistance program; or in child care services. Any
3953 other program which serves persons at least seventy-five per cent of
3954 whom are at an income level not exceeding one hundred fifty per cent
3955 of the poverty level for the year next preceding the year during which
3956 such tax credit is to be granted and which meets the standards for

3957 eligibility under this chapter shall be eligible for tax credit under this
3958 section.

3959 Sec. 85. (NEW) (*Effective July 1, 2007*) (a) For the purposes described
3960 in subsection (b) of this section, the State Bond Commission shall have
3961 the power, from time to time, to authorize the issuance of bonds of the
3962 state in one or more series and in principal amounts not exceeding in
3963 the aggregate thirty million dollars.

3964 (b) The proceeds of the sale of said bonds, to the extent of the
3965 amount stated in subsection (a) of this section, shall be used by the
3966 Department of Public Works for the purpose of funding the net project
3967 costs, or the balance of any projects after applying any public or
3968 private financial incentives available, for any energy services project
3969 that results in increased efficiency measures in state buildings.

3970 (c) All provisions of section 3-20 of the general statutes, or the
3971 exercise of any right or power granted thereby, which are not
3972 inconsistent with the provisions of this section are hereby adopted and
3973 shall apply to all bonds authorized by the State Bond Commission
3974 pursuant to this section, and temporary notes in anticipation of the
3975 money to be derived from the sale of any such bonds so authorized
3976 may be issued in accordance with said section 3-20 and from time to
3977 time renewed. Such bonds shall mature at such time or times not
3978 exceeding twenty years from their respective dates as may be provided
3979 in or pursuant to the resolution or resolutions of the State Bond
3980 Commission authorizing such bonds. None of said bonds shall be
3981 authorized except upon a finding by the State Bond Commission that
3982 there has been filed with it a request for such authorization which is
3983 signed by or on behalf of the Secretary of the Office of Policy and
3984 Management and states such terms and conditions as said commission,
3985 in its discretion, may require. Said bonds issued pursuant to this
3986 section shall be general obligations of the state and the full faith and
3987 credit of the state of Connecticut are pledged for the payment of the
3988 principal of and interest on said bonds as the same become due, and
3989 accordingly and as part of the contract of the state with the holders of

3990 said bonds, appropriation of all amounts necessary for punctual
3991 payment of such principal and interest is hereby made, and the State
3992 Treasurer shall pay such principal and interest as the same become
3993 due.

3994 Sec. 86. Section 10a-180 of the general statutes is amended by adding
3995 subsection (w) as follows (*Effective October 1, 2007*):

3996 (NEW) (w) To make grants or provide other forms of financial
3997 assistance to any institution of higher education, to any health care
3998 institution, to any nursing home, to any child care or child
3999 development facility and to any qualified nonprofit organization in
4000 such amounts, for energy efficient construction or renovation projects
4001 or renewable energy construction or renovation projects subject to
4002 such eligibility and other requirements the board establishes pursuant
4003 to written procedures adopted by the board of directors pursuant to
4004 subsection (h) of section 10a-179.

4005 Sec. 87. Section 5 of public act 05-2 of the October 25 special session
4006 is repealed and the following is substituted in lieu thereof (*Effective*
4007 *from passage*):

4008 Notwithstanding the provisions of section 16a-40b of the general
4009 statutes, as amended by section 5 of public act 05-191, for the fiscal
4010 year ending June 30, [2006] 2008, the range of rates of interest payable
4011 on all loans pursuant to subsection (b) of said section 16a-40b for
4012 purchases set forth in subsection (a) of said section 16a-40b, except for
4013 goods or services relating to [aluminum or vinyl siding,] replacement
4014 central air conditioning, [replacement roofs,] heat pumps or solar
4015 systems and passive solar additions, shall be not less than zero per cent
4016 for any applicant in the lowest income class and not more than three
4017 per cent for any applicant for whom the adjusted gross income of the
4018 household member or members who contribute to the support of the
4019 household was at least one hundred fifteen per cent of the median area
4020 income by household size.

4021 Sec. 88. Section 16a-2 of the general statutes is repealed and the

4022 following is substituted in lieu thereof (*Effective from passage*):

4023 As used in this chapter and sections 16a-45a, 16a-46, 16a-46a and
4024 16a-46b:

4025 (a) "Office" means the Office of Policy and Management;

4026 (b) "Board" means the Connecticut Energy Advisory Board;

4027 (c) "Secretary" means the Secretary of the Office of Policy and
4028 Management;

4029 (d) "Energy" means work or heat that is, or may be, produced from
4030 any fuel or source whatsoever;

4031 (e) "Energy emergency" means a situation where the health, safety
4032 or welfare of the citizens of the state is threatened by an actual or
4033 impending acute shortage in usable energy resources;

4034 (f) "Energy resource" means natural gas, petroleum products, coal
4035 and coal products, wood fuels, geothermal sources, radioactive
4036 materials and any other resource yielding energy;

4037 (g) "Person" means any individual, firm, partnership, association,
4038 syndicate, company, trust, corporation, limited liability company,
4039 municipality, agency or political or administrative subdivision of the
4040 state, or other legal entity of any kind;

4041 (h) "Service area" means any geographic area serviced by the same
4042 energy-producing public service company, as defined in section 16-1,
4043 as amended by this act;

4044 (i) "Renewable resource" means solar, wind, water, wood or other
4045 biomass source of energy and geothermal energy;

4046 (j) "Energy-related products" means (1) energy systems and
4047 equipment that utilize renewable resources to provide space heating or
4048 cooling, water heating, electricity or other useful energy, (2) insulation
4049 materials, and (3) equipment designed to conserve energy or increase

4050 the efficiency of its use, including that used for residential, commercial,
4051 industrial and transportation purposes;

4052 (k) "Energy-related services" means (1) the design, construction,
4053 installation, inspection, maintenance, adjustment or repair of energy-
4054 related products, (2) inspection, adjustment, maintenance or repair of
4055 any conventional energy system, (3) the performance of energy audits
4056 or the provision of energy management consulting services, and (4)
4057 weatherization activities carried out under any federal, state or
4058 municipal program;

4059 (l) "Conventional energy system" means any system for supplying
4060 space heating or cooling, ventilation or domestic or commercial hot
4061 water which is not included in subdivision (1) of subsection (j) of this
4062 section; [and]

4063 (m) "Energy supply" means any energy resource capable of being
4064 used to perform useful work and any form of energy such as electricity
4065 produced or derived from energy resources which may be so used;
4066 and

4067 (n) "Energy facility" means a structure that generates, transmits or
4068 stores electricity, natural gas, refined petroleum products, renewable
4069 fuels, coal and coal products, wood fuels, geothermal sources,
4070 radioactive material and other resources yielding energy.

4071 Sec. 89. Section 16a-7b of the general statutes is repealed and the
4072 following is substituted in lieu thereof (*Effective from passage*):

4073 (a) Not later than December 1, 2004, the Connecticut Energy
4074 Advisory Board shall develop infrastructure criteria guidelines for the
4075 evaluation process under subsection (f) of section 16a-7c, which
4076 guidelines shall be consistent with state environmental policy, state
4077 economic development policy, the state's policy regarding the
4078 restructuring of the electric industry, as set forth in section 16-244, and
4079 the findings in the comprehensive energy plan prepared pursuant to
4080 section 16a-7a, and shall include, but not be limited to, the following:

4081 (1) Environmental preference standards; (2) efficiency standards,
4082 including, but not limited to, efficiency standards for transmission,
4083 generation and demand-side management; (3) generation preference
4084 standards; (4) electric capacity, use trends and forecasted resource
4085 needs; (5) natural gas capacity, use trends and forecasted resource
4086 needs; and (6) national and regional reliability criteria applicable to the
4087 regional bulk power grid, as determined in consultation with the
4088 regional independent system operator, as defined in section 16-1. In
4089 developing environmental preference standards, the board shall
4090 consider the recommendations and findings of the task force
4091 established pursuant to section 25-157a and Executive Order Number
4092 26 of Governor John G. Rowland.

4093 (b) No municipality other than a municipality operating a plant
4094 pursuant to chapter 101 or any special act and acting for purposes
4095 thereto may take an action to condemn, in whole or in part, or restrict
4096 the operation of any existing and currently operating energy facility, if
4097 such facility is first determined by the Department of Public Utility
4098 Control, following a contested case proceeding, held in accordance
4099 with the provisions of chapter 54, to comprise a critical, unique and
4100 unmovable component of the state's energy infrastructure, unless the
4101 municipality first receives written approval from the department, the
4102 Office of Policy and Management, the Connecticut Energy Advisory
4103 Board and the Connecticut Siting Council that such taking would not
4104 have a detrimental impact on the state's or region's ability to provide a
4105 particular energy resource to its citizens.

4106 Sec. 90. Section 29-256a of the general statutes is repealed and the
4107 following is substituted in lieu thereof (*Effective October 1, 2007*):

4108 (a) The State Building Inspector and the Codes and Standards
4109 Committee shall revise the State Building Code to require that
4110 buildings and building elements be designed to provide optimum cost-
4111 effective energy efficiency over the useful life of the building. Such
4112 revision shall [meet] exceed by not less than twenty per cent the
4113 American Society of Heating, Refrigerating and Air Conditioning

4114 Engineers Standard 90.1 for new construction.

4115 (b) Notwithstanding subsection (a) of this section, the State Building
4116 Inspector and the Codes and Standards Committee shall revise the
4117 State Building Code to require that any (1) building, except a
4118 residential building, constructed after January 1, 2009, that is projected
4119 to cost not less than five million dollars, and (2) renovation to any
4120 building, except a residential building, started after January 1, 2009,
4121 that is projected to cost not less than two million dollars shall be built
4122 or renovated using building construction standards consistent with or
4123 exceeding the silver building rating of the Leadership in Energy and
4124 Environmental Design's rating system for new commercial
4125 construction and major renovation projects, as established by the
4126 United States Green Building Council, or an equivalent standard,
4127 including, but not limited to, a two-globe rating in the Green Globes
4128 USA design program. The inspector and the committee shall provide
4129 for an exemption for any building if the Institute for Sustainable
4130 Energy finds, in a written analysis, that the cost of such compliance
4131 significantly outweighs the benefits.

4132 Sec. 91. Subsection (a) of section 16-245e of the general statutes is
4133 amended by adding subdivisions (14) to (18), inclusive, as follows
4134 (*Effective from passage*):

4135 (NEW) (14) "State rate reduction bonds" means the rate reduction
4136 bonds issued on June 23, 2004, by the state to sustain funding of
4137 conservation and load management and renewable energy investment
4138 programs by substituting for disbursements to the General Fund from
4139 the Energy Conservation and Load Management Fund, established by
4140 section 16-245m, and from the Renewable Energy Investment Fund,
4141 established by section 16-245n, as amended by this act. The state rate
4142 reduction bonds for the purposes of section 4-30a shall be deemed to
4143 be outstanding indebtedness of the state;

4144 (NEW) (15) "Operating expenses" in connection with the state rate
4145 reduction bonds, means (A) all expenses, costs and liabilities of the

4146 state or the trustee incurred in connection with the administration or
4147 payment of the state rate reduction bonds or in discharge of its
4148 obligations and duties under the state rate reduction bonds or bond
4149 documents, expenses and other costs and expenses arising in
4150 connection with the state rate reduction bonds or pursuant to the
4151 financing order providing for the issuance of such bonds including any
4152 arbitrage rebate and penalties payable under the code in connection
4153 with such bonds, and (B) all fees and expenses payable or disburseable
4154 to the servicers or others under the bond documents;

4155 (NEW) (16) "Bond documents" means, in connection with the state
4156 rate reduction bonds, the following documents: The servicing
4157 agreements, the tax compliance agreement and certificate, and the
4158 continuing disclosure agreement entered into in connection with the
4159 state rate reduction bonds and the indenture;

4160 (NEW) (17) "Indenture" means, in connection with the state rate
4161 reduction bonds, the RRB Indenture, dated as of June 23, 2004, by and
4162 between the state and the trustee, as amended from time to time; and

4163 (NEW) (18) "Trustee" means in connection with the state rate
4164 reduction bonds the trustee appointed under the indenture.

4165 Sec. 92. Section 16-245e of the general statutes is amended by adding
4166 subsection (l) as follows (*Effective from passage*):

4167 (NEW) (l) The sum of ninety-five million dollars is appropriated to
4168 the Treasurer, from the General Fund, for the fiscal year ending June
4169 30, 2007, for the purpose of (1) defeasing the state rate reduction bonds
4170 maturing after December 30, 2007, by irrevocably depositing with the
4171 bond trustee in trust such appropriation to be used for the scheduled
4172 payments of principal and interest on the said state rate reduction
4173 bonds and paying operating expenses, (2) if the Treasurer determines
4174 it to be in the state's best interest, purchasing state rate reduction
4175 bonds maturing after December 30, 2007, in the open market on such
4176 terms and conditions as the Treasurer determines to be in the best
4177 interest of the state for purposes of satisfying such bonds, or (3)

4178 defeasing or satisfying the state rate reduction bonds maturing after
4179 December 30, 2007, by a combination of the methods described in
4180 subdivisions (1) and (2) of this subsection. Such appropriation is for
4181 the purpose of paying debt service on bonds or other evidences of
4182 indebtedness and related costs and expenses provided for in the
4183 indenture. After the defeasance or satisfaction of all outstanding state
4184 rate reduction bonds, the trustee shall deliver to the Treasurer or apply
4185 in accordance with the instructions of the Treasurer all moneys held by
4186 it not necessary to defease or satisfy such bonds or allocated to pay
4187 operating expenses. Such funds shall be first applied to satisfy any
4188 unpaid operating expenses. After payment of the operating expenses,
4189 seventy-five per cent of any remaining amounts shall be paid to the
4190 Energy Conservation and Load Management Fund, established
4191 pursuant to section 16-245m, and twenty-five per cent of such
4192 remaining amount shall be paid to the Renewable Energy Investment
4193 Fund, established pursuant to section 16-245n, as amended by this act.
4194 The Treasurer and the finance authority have the authority to take any
4195 necessary and appropriate actions to implement the defeasance or
4196 satisfaction of the state rate reduction bonds and the payment of all
4197 operating expenses so that the amount of state rate reduction charges
4198 which before defeasance secured the state rate reduction bonds can be
4199 applied to the Energy Conservation and Load Management Fund and
4200 the Renewable Energy Investment Fund.

4201 Sec. 93. Subsection (b) of section 16a-40b of the general statutes, as
4202 amended by section 1 of public act 07-64, is repealed and the following
4203 is substituted in lieu thereof (*Effective from passage*):

4204 (b) [Except as provided under subsection (c) of this section, any]
4205 Any such loan or deferred loan shall be available only for a residential
4206 structure containing not more than four dwelling units, shall be not
4207 less than four hundred dollars and not more than [fifteen] twenty-five
4208 thousand dollars per structure and, with respect to any application
4209 received on or after November 29, 1979, shall be made only to an
4210 applicant who submits evidence, satisfactory to the commissioner, that
4211 the adjusted gross income of the household member or members who

4212 contribute to the support of his household was not in excess of one
4213 hundred fifty per cent of the median area income by household size. In
4214 the case of a deferred loan, the contract shall require that payments on
4215 interest are due immediately but that payments on principal may be
4216 made at a later time. Repayment of all loans made under this
4217 subsection shall be subject to a rate of interest to be determined in
4218 accordance with subsection (t) of section 3-20 and such terms and
4219 conditions as the commissioner may establish. The State Bond
4220 Commission shall establish a range of rates of interest payable on all
4221 loans under this subsection and shall apply the range to applicants in
4222 accordance with a formula which reflects their income. Such range
4223 shall be not less than zero per cent for any applicant in the lowest
4224 income class and not more than one per cent above the rate of interest
4225 borne by the general obligation bonds of the state last issued prior to
4226 the most recent date such range was established for any applicant for
4227 whom the adjusted gross income of the household member or
4228 members who contribute to the support of his household does not
4229 exceed one hundred fifty per cent of the median area income by
4230 household size.

4231 Sec. 94. (*Effective July 1, 2007*) (a) For the purposes described in
4232 subsection (b) of this section, the State Bond Commission shall have
4233 the power, from time to time, to authorize the issuance of bonds of the
4234 state in one or more series and in principal amounts not exceeding in
4235 the aggregate thirty million dollars.

4236 (b) The proceeds of the sale of said bonds, to the extent of the
4237 amount stated in subsection (a) of this section, shall be used by
4238 Connecticut Innovations, Incorporated, for the purpose of funding the
4239 net project costs, or the balance of any projects after applying any
4240 public or private financial incentives available, for any renewable
4241 energy or combined heat and power projects in state buildings. The
4242 funds shall be made available through the Renewable Energy
4243 Investment Fund, established pursuant to section 16-245n of the
4244 general statutes, as amended by this act. Eligible state buildings shall
4245 be Leadership in Energy and Environmental Design (LEED) certified

4246 or in the process of becoming LEED certified, or certified to meet or
4247 exceed a two-globe rating in the Green Globes USA Design Program.

4248 (c) All provisions of section 3-20 of the general statutes, or the
4249 exercise of any right or power granted thereby, which are not
4250 inconsistent with the provisions of this section are hereby adopted and
4251 shall apply to all bonds authorized by the State Bond Commission
4252 pursuant to this section, and temporary notes in anticipation of the
4253 money to be derived from the sale of any such bonds so authorized
4254 may be issued in accordance with said section 3-20 and from time to
4255 time renewed. Such bonds shall mature at such time or times not
4256 exceeding twenty years from their respective dates as may be provided
4257 in or pursuant to the resolution or resolutions of the State Bond
4258 Commission authorizing such bonds. None of said bonds shall be
4259 authorized except upon a finding by the State Bond Commission that
4260 there has been filed with it a request for such authorization which is
4261 signed by or on behalf of the Secretary of the Office of Policy and
4262 Management and states such terms and conditions as said commission,
4263 in its discretion, may require. Said bonds issued pursuant to this
4264 section shall be general obligations of the state and the full faith and
4265 credit of the state of Connecticut are pledged for the payment of the
4266 principal of and interest on said bonds as the same become due, and
4267 accordingly and as part of the contract of the state with the holders of
4268 said bonds, appropriation of all amounts necessary for punctual
4269 payment of such principal and interest is hereby made, and the State
4270 Treasurer shall pay such principal and interest as the same become
4271 due.

4272 Sec. 95. (*Effective from passage*) During the calendar year 2007,
4273 Operation Fuel, Incorporated, shall establish a one-time clean-slate
4274 program to target low-income persons with high utility bill arrearages.
4275 Said program shall constitute a one-time grant based on the recipient's
4276 income and arrearage amount. Grants shall only apply to arrearages
4277 no more than twenty-four months old and shall not exceed one
4278 thousand dollars. Said program shall also incorporate case
4279 management services, including, but not limited to, budget counseling

4280 and assistance with utility payment programs.

4281 Sec. 96. Section 16a-41h of the general statutes is repealed and the
4282 following is substituted in lieu thereof (*Effective from passage*):

4283 (a) (1) Each electric [and] distribution company, gas company [, as
4284 defined in section 16-1, having at least seventy-five thousand
4285 customers] and municipal utility furnishing electric or gas service,
4286 shall include in its monthly bills a request to each customer to add a
4287 [one-dollar] donation in an amount designated by the customer to the
4288 bill payment. Such company shall provide to all of its customers the
4289 opportunity to donate one dollar, two dollars, three dollars or another
4290 amount on each bill provided to a customer either through the mail or
4291 electronically. Such designation shall be made available and included
4292 where customers are either electronically billed or bill payment is
4293 handled electronically. The opportunity to donate one dollar, two
4294 dollars, three dollars or another amount shall be included on the bill in
4295 such a way that facilitates such donations.

4296 (2) Operation Fuel, Incorporated, a state-wide nonprofit
4297 organization designed to respond to people within the state who are in
4298 financial crisis and need emergency energy assistance, shall provide
4299 fundraising inserts and remittance envelopes to retail dealers of fuel oil
4300 that volunteer to include the inserts and envelopes in their customers'
4301 bills for one or more billing cycles each year. Such retail dealers of fuel
4302 oil shall inform Operation Fuel, Incorporated, as to the number of
4303 inserts and envelopes needed to conduct such a mailing.

4304 (3) Each electric, gas or fuel oil company shall transmit all such
4305 donations received each month, as well as their own contributions, if
4306 any, to Operation Fuel, [Inc., a state-wide nonprofit organization
4307 designed to respond to people within the state who are in financial
4308 crisis and need emergency energy assistance. Donations] Incorporated.
4309 Operation Fuel, Incorporated shall [be distributed] distribute
4310 donations to nonprofit social services agencies and private fuel banks
4311 in accordance with guidelines established by the board of directors of

4312 Operation Fuel, Inc., provided such funds shall be distributed on a
4313 priority basis to low-income elderly and working poor households
4314 which are not eligible for public assistance or state-administered
4315 general assistance but are faced with a financial crisis and are unable to
4316 make timely payments on [winter] fuel, electricity or gas bills. Such
4317 companies shall coordinate their promotions of this program, holding
4318 promotions during the same month and using similar formats.

4319 (b) If Operation Fuel, Inc. ceases to exist, such electric and gas
4320 companies shall jointly establish a nonprofit, tax-exempt corporation
4321 for the purpose of holding in trust and distributing such customer
4322 donations. The board of directors of such corporation shall consist of
4323 eleven members appointed as follows: Four by the companies, each of
4324 which shall appoint one member; one by the president pro tempore of
4325 the Senate; one by the minority leader of the Senate; one by the speaker
4326 of the House of Representatives; one by the minority leader of the
4327 House of Representatives; and three by the Governor. The board shall
4328 distribute such funds to nonprofit organizations and social service
4329 agencies which provide emergency energy or fuel assistance. The
4330 board shall target available funding on a priority basis to low-income
4331 elderly and working poor households which are not eligible for public
4332 assistance or state-administered general assistance but are faced with a
4333 financial crisis and are unable to make timely payments on [winter]
4334 fuel, electricity or gas bills.

4335 (c) Not later than the first of September annually, Operation Fuel,
4336 Inc. shall submit to the General Assembly a report on the
4337 implementation of this section. Such report shall include, (1) a
4338 summary of the effectiveness of the program, (2) the total amount of
4339 the donations received by electric and gas companies and transmitted
4340 to Operation Fuel, Inc. under subsection (b) of this section, and (3) an
4341 accounting of the distribution of such funds by Operation Fuel, Inc.
4342 indicating the organizations and agencies receiving funds, the amounts
4343 received and distributed by each such organization and agency and
4344 the number of households each assisted. On and after October 1, 1996,
4345 the report shall be submitted to the joint standing committee of the

4346 General Assembly having cognizance of matters relating to energy
4347 and, upon request, to any member of the General Assembly. A
4348 summary of the report shall be submitted to each member of the
4349 General Assembly if the summary is two pages or less and a
4350 notification of the report shall be submitted to each member if the
4351 summary is more than two pages. Submission shall be by mailing the
4352 report, summary or notification to the legislative address of each
4353 member of the committee or the General Assembly, as applicable.

4354 Sec. 97. Section 4a-67d of the general statutes is repealed and the
4355 following is substituted in lieu thereof (*Effective from passage*):

4356 (a) The fleet average for cars or light duty trucks purchased by the
4357 state shall: (1) On and after October 1, 2001, have a United States
4358 Environmental Protection Agency estimated highway gasoline mileage
4359 rating of at least thirty-five miles per gallon and on and after January 1,
4360 2003, have a United States Environmental Protection Agency estimated
4361 highway gasoline mileage rating of at least forty miles per gallon, (2)
4362 comply with the requirements set forth in 10 CFR 490 concerning the
4363 percentage of alternative-fueled vehicles required in the state motor
4364 vehicle fleet, and (3) obtain the best achievable mileage per pound of
4365 carbon dioxide emitted in its class. The alternative-fueled vehicles
4366 purchased by the state to comply with said requirements shall be
4367 capable of operating on natural gas or electricity or any other system
4368 acceptable to the United States Department of Energy that operates on
4369 fuel that is available in the state.

4370 (b) Notwithstanding any other provisions of this section, (1) on and
4371 after January 1, 2008, any car or light duty truck purchased by the state
4372 shall have an efficiency rating that is in the top third of all vehicles in
4373 such purchased vehicle's class and fifty per cent of such cars and light
4374 duty trucks shall be alternative fueled, hybrid electric or plug-in
4375 electric vehicles, and (2) on and after January 1, 2010, any car or light
4376 duty truck purchased by the state shall have an efficiency rating that is
4377 in the top third of all vehicles in such purchased vehicle's class and one
4378 hundred per cent of such cars and light duty trucks shall be alternative

4379 fueled, hybrid electric or plug-in electric vehicles.

4380 [(b)] (c) The provisions of [subsection (a)] subsections (a) and (b) of
4381 this section shall not apply to cars or light duty trucks purchased for
4382 law enforcement or other special use purposes as designated by the
4383 Department of Administrative Services.

4384 [(c)] (d) As used in this section, the terms "car" and "light duty
4385 truck" shall be as defined in the United States Department of Energy
4386 Publication DOE/CE -0019/8, or any successor publication.

4387 Sec. 98. (NEW) (*Effective from passage*) If any existing electric
4388 generation plant within the state is offered for sale, the Department of
4389 Public Utility Control shall authorize the electric distribution
4390 companies to purchase and operate such plants if the department,
4391 through a contested case proceeding, determines that such purchase
4392 and operation is in the public interest, provided any acquisition plan
4393 shall include provisions for payment of property taxes on the value of
4394 the purchased plant and provisions for employee protections
4395 consistent with subdivision (3) of subsection (b) of section 16-244f of
4396 the general statutes. An electric distribution company purchasing such
4397 generation plants shall be entitled to recover the costs of such purchase
4398 in an annual retail generation rate contested case consistent with the
4399 principles set forth in sections 16-19, 16-19b and 16-19e of the general
4400 statutes, as amended by this act, provided the return on equity
4401 associated with such purchase and operation shall be established in
4402 said contested case proceeding and updated at least once every four
4403 years. The department shall review and approve the cost recovery
4404 provisions in the proceeding to determine that such purchase and
4405 operation are in the public interest.

4406 Sec. 99. (*Effective from passage*) On or before July 1, 2007, the Energy
4407 Conservation Management Board, established pursuant to section 16-
4408 245m of the general statutes, shall contract with an independent, third
4409 party to conduct an assessment of Connecticut's conservation and
4410 energy efficiency potential, including conservation, demand response

4411 and load management. Such assessment shall be considered an update
4412 to a similar assessment conducted by a third party in 2004. Not later
4413 than February 1, 2008, the board shall present the results of such
4414 assessment and its recommendations for cost-effective methods or
4415 mechanisms to fund new or expanded energy efficiency initiatives to
4416 address the energy efficiency potential determined in the assessment
4417 to the joint standing committee of the General Assembly having
4418 cognizance of matters relating to energy.

4419 Sec. 100. (NEW) (*Effective July 1, 2007*) (a) The Energy Conservation
4420 Management Board, established pursuant to section 16-245m of the
4421 general statutes, shall establish a plan to (1) reach zero per cent load
4422 growth by the year 2010, (2) describe in detail any existing Connecticut
4423 higher educational energy efficiency resources, (3) quantify the
4424 strategic role that energy efficiency programs can play in facilitating a
4425 transition to a more efficient and competitive business climate, and (4)
4426 identify measures that can be employed and investments in research
4427 that can be made to position the state as a national leader in energy
4428 efficiency.

4429 (b) On or before January 1, 2008, and annually thereafter, the board
4430 shall report on the progress of achieving, meeting or exceeding the
4431 goals set forth in the plan established pursuant to subsection (a) of this
4432 section to the Connecticut Energy Advisory Board, established
4433 pursuant to section 16a-3 of the general statutes, for comparison with
4434 and possible inclusion in any plan for the procurement of energy
4435 resources submitted to the Connecticut Energy Advisory Board by the
4436 electric distribution companies.

4437 Sec. 101. (NEW) (*Effective October 1, 2007*) On or before January 1,
4438 2008, the Energy Conservation Management Board, established
4439 pursuant to section 16-245m of the general statutes, shall design a
4440 program to be implemented by the electric distribution companies to
4441 provide cost-effective loans or award cost-effective grants to electric
4442 customers billed on a time of use basis for the construction and
4443 installation of cost-efficient energy storage units. The board shall

4444 present its program design to the Department of Public Utility Control
4445 for approval. Funding for any loans or grants awarded pursuant to this
4446 section shall be provided from the state's conservation and load
4447 management funds.

4448 Sec. 102. Subsection (a) of section 16-243n of the general statutes is
4449 repealed and the following is substituted in lieu thereof (*Effective from*
4450 *passage*):

4451 (a) Not later than October 1, 2005, each electric distribution
4452 company, as defined in section 16-1, as amended by this act, shall
4453 submit an application to the Department of Public Utility Control to (1)
4454 on or before January 1, 2007, implement mandatory peak, shoulder
4455 and off-peak time of use rates for commercial or industrial customers,
4456 other than schools and municipal buildings, that have a maximum
4457 demand of not less than three hundred fifty kilowatts, and (2) on or
4458 before June 1, 2006, offer optional interruptible or load response rates
4459 for customers that have a maximum demand of not less than three
4460 hundred fifty kilowatts and offer optional seasonal and time of use
4461 rates for all customers. The application shall propose to establish time
4462 of use rates through a procurement plan, revenue neutral adjustments
4463 to delivery rates, or both. Each electric distribution company shall
4464 continue to provide rates that are not time-of-use based for all
4465 residential customers, including a separate residential electric heating
4466 service rate, and for all other municipal customers and educational
4467 facilities.

4468 Sec. 103. (NEW) (*Effective from passage*) The Department of Public
4469 Utility Control shall direct an electric distribution company to
4470 negotiate, in good faith, long-term contracts for the electric energy
4471 output of each of the generation projects selected and approved by the
4472 department to provide capacity pursuant to section 16-243m of the
4473 general statutes, provided the rates paid for such electric energy
4474 output when added to the payments made pursuant to such capacity
4475 contracts shall be the project's cost of service including a reasonable
4476 rate of return. The electric distribution company shall apply to the

4477 department for approval of any such energy output contract. No such
4478 contract shall be effective unless approved by the department. The
4479 department may approve only such contracts it finds would reduce
4480 and stabilize the cost of electricity to Connecticut ratepayers. Such
4481 contract may not exceed the term of the capacity contract for such
4482 generation project.

4483 Sec. 104. (NEW) (*Effective July 1, 2007*) (a) The Department of Public
4484 Utility Control shall, in coordination with the Energy Conservation
4485 Management Board, established pursuant to section 16-245m of the
4486 general statutes, establish a state-wide energy efficiency and outreach
4487 marketing campaign to target the following sectors: (1) Commercial,
4488 including small businesses, (2) industrial, (3) governmental, (4)
4489 institutional, including schools, hospitals and nonprofits, (5)
4490 agricultural, and (6) residential.

4491 (b) The goals of the campaign established pursuant to subsection (a)
4492 of this section shall include, but not be limited to, (1) educating
4493 residents on the benefits of energy efficiency, (2) motivating said
4494 residents to take action to achieve lasting energy savings, (3) educating
4495 and informing said residents about the real-time energy report
4496 program prepared pursuant to section 105 of this act and the real-time
4497 prepared pursuant to section 106 of this act, and (4) supporting the
4498 energy efficiency programs already in existence.

4499 (c) On or before October 1, 2007, the department shall develop a
4500 plan to meet the goals of said campaign pursuant to subsection (b) of
4501 this section and, on or before January 1, 2008, the department shall
4502 implement said plan. Said plan shall include a coordinated range of
4503 marketing activities and outreach strategies, including, but not limited
4504 to, television, radio and newspaper advertisements, printed
4505 educational materials, events, a comprehensive web site resource
4506 serving all sectors, a biweekly electronic newsletter, planning forums
4507 and meetings throughout the state, and partnerships with businesses,
4508 government entities and nonprofit organizations.

4509 (d) On or before February 1, 2008, and on or before January 1, 2009,
4510 the department shall report to the joint standing committee of the
4511 General Assembly having cognizance of matters relating to energy, in
4512 accordance with the provisions of section 11-4a of the general statutes.
4513 Said report shall describe the design of the program established
4514 pursuant to this section, including, but not limited to, an accounting of
4515 money spent and planned expenditures and a method of measuring
4516 program effectiveness.

4517 Sec. 105. (NEW) (*Effective from passage*) (a) As part of the energy
4518 efficiency and outreach marketing campaign established pursuant to
4519 section 104 of this act, the Department of Public Utility Control shall, in
4520 consultation with the Energy Conservation Management Board,
4521 established pursuant to section 16-245m of the general statutes,
4522 develop recommendations for the implementation of a real-time
4523 energy report program for use on television, radio, the Internet and
4524 other media. Said program shall include, but not be limited to, (1)
4525 making such reports available through various media sources
4526 throughout the summer months each year, (2) producing such reports
4527 in a consumer-friendly fashion, and (3) developing a plan to promote
4528 and inform the public regarding such reports. The department shall
4529 report such recommendations to the joint standing committee of the
4530 General Assembly having cognizance of matters relating to energy not
4531 later than February 1, 2008.

4532 (b) The department's recommendations developed pursuant to
4533 subsection (a) of this section shall include, but not be limited to, the
4534 proposed design of a real-time energy report that will (1) identify the
4535 state's current real-time energy demand, along with how the demand
4536 has changed over the course of the day, and in the case of television
4537 news broadcasts, the real-time change between the beginning and end
4538 of the broadcast; (2) emphasize the importance of reducing peak
4539 demand and provide estimates of the money leaving the state and
4540 country because of our dependence on fossil fuels; and (3) provide tips
4541 on conservation measures, promote community and business
4542 competition to reduce energy consumption and give visibility to

4543 communities and businesses that have implemented energy saving
4544 changes or that are using renewable resources.

4545 (c) The department shall get the information needed to develop the
4546 real-time energy reports established pursuant to subsection (b) of this
4547 section from the regional independent system operator.

4548 Sec. 106. (NEW) (*Effective from passage*) On or before October 1, 2007,
4549 the Department of Public Utility Control shall determine a procedure
4550 for electric distribution companies, municipal electric utilities and
4551 municipal electric energy cooperatives to notify retail customers of a
4552 capacity deficiency situation and the potential for said companies,
4553 municipal utilities or energy cooperatives to take emergency actions,
4554 which will encourage the customers to reduce electricity use
4555 voluntarily to help reduce the capacity deficiency. On or before
4556 February 1, 2008, each electric distribution company, municipal utility
4557 or municipal electric energy cooperative shall submit a proposed
4558 customer notification procedure to the department for the
4559 department's consideration. Each company's, utility's or cooperative's
4560 costs related to such procedure and notification shall be recoverable as
4561 federally mandated congestion charges.

4562 Sec. 107. (*Effective July 1, 2007*) (a) For the purposes described in
4563 subsection (b) of this section, the State Bond Commission shall have
4564 the power, from time to time, to authorize the issuance of bonds of the
4565 state in one or more series and in principal amounts not exceeding in
4566 the aggregate fifty million dollars.

4567 (b) The proceeds of the sale of said bonds, to the extent of the
4568 amount stated in subsection (a) of this section, shall be used by
4569 Connecticut Innovations, Incorporated, for the purpose of providing
4570 grants-in-aid pursuant to section 108 of this act.

4571 (c) All provisions of section 3-20 of the general statutes, or the
4572 exercise of any right or power granted thereby, which are not
4573 inconsistent with the provisions of this section are hereby adopted and
4574 shall apply to all bonds authorized by the State Bond Commission

4575 pursuant to this section, and temporary notes in anticipation of the
4576 money to be derived from the sale of any such bonds so authorized
4577 may be issued in accordance with said section 3-20 and from time to
4578 time renewed. Such bonds shall mature at such time or times not
4579 exceeding twenty years from their respective dates as may be provided
4580 in or pursuant to the resolution or resolutions of the State Bond
4581 Commission authorizing such bonds. None of said bonds shall be
4582 authorized except upon a finding by the State Bond Commission that
4583 there has been filed with it a request for such authorization which is
4584 signed by or on behalf of the Secretary of the Office of Policy and
4585 Management and states such terms and conditions as said commission,
4586 in its discretion, may require. Said bonds issued pursuant to this
4587 section shall be general obligations of the state and the full faith and
4588 credit of the state of Connecticut are pledged for the payment of the
4589 principal of and interest on said bonds as the same become due, and
4590 accordingly and as part of the contract of the state with the holders of
4591 said bonds, appropriation of all amounts necessary for punctual
4592 payment of such principal and interest is hereby made, and the State
4593 Treasurer shall pay such principal and interest as the same become
4594 due.

4595 Sec. 108. (NEW) (*Effective from passage*) (a) There is established an
4596 account to be known as the "municipal renewable energy and efficient
4597 energy generation grant account", which shall be a separate,
4598 nonlapsing account within the Renewable Energy Investment Fund,
4599 established pursuant to section 16-245n of the general statutes, as
4600 amended by this act. The account shall contain any moneys required or
4601 permitted by law to be deposited in the account and any funds
4602 received from any public or private contributions, gifts, grants,
4603 donations, bequests or devises to the fund. Connecticut Innovations,
4604 Incorporated, may make grants-in-aid from the fund in accordance
4605 with the provisions of subsection (b) of this section.

4606 (b) Connecticut Innovations, Incorporated, in consultation with the
4607 Department of Public Utility Control, the Department of Education
4608 and the Department of Emergency Management and Homeland

4609 Security, shall establish a municipal renewable energy and efficient
4610 energy generation grant program. Connecticut Innovations,
4611 Incorporated, shall make grants under said program to municipalities
4612 for the purchase of (1) renewable energy sources, including solar
4613 energy, geothermal energy and fuel cells or other energy-efficient
4614 hydrogen-fueled energy, or (2) energy-efficient generation sources,
4615 including units providing combined heat-and-power operations with
4616 greater than sixty-five per cent efficiency or such higher efficiency level
4617 as Connecticut Innovations, Incorporated, may prescribe, for
4618 municipal buildings. Connecticut Innovations, Incorporated, shall give
4619 priority to applications for grants for disaster relief centers and high
4620 schools. Each grant shall be in an amount that makes the cost of
4621 purchasing and operating the renewable energy or energy-efficient
4622 generation source competitive with the municipality's current
4623 electricity expenses.

4624 (c) On or before October 1, 2007, Connecticut Innovations,
4625 Incorporated, shall develop an application for grants-in-aid under this
4626 section for the purpose of purchasing and operating renewable energy
4627 or energy-efficient generation sources and may receive applications
4628 from municipalities for such grants-in-aid on and after said date.
4629 Applications shall include, but not be limited to, a complete
4630 description of the proposed renewable energy or energy-efficient
4631 generation source.

4632 (d) Commencing with the fiscal year ending June 30, 2008, and for
4633 each of the five consecutive fiscal years thereafter, until the fiscal year
4634 ending June 30, 2012, not less than ten million dollars shall be available
4635 from the municipal renewable energy and efficient energy grant
4636 account for grants-in-aid to municipalities for the purpose of
4637 purchasing and operating renewable energy or energy-efficient
4638 generation sources. Any balance of such amount not used for such
4639 grants-in-aid during a fiscal year shall be carried forward for the fiscal
4640 year next succeeding for such grants-in-aid.

4641 (e) On or before January 1, 2009, and annually thereafter, the

4642 Department of Public Utility Control shall report on the effectiveness
4643 of said program to the joint standing committee of the General
4644 Assembly having cognizance of matters relating to energy.

4645 Sec. 109. Section 16-244c of the general statutes is amended by
4646 adding subsections (k) and (l) as follows (*Effective January 1, 2008*):

4647 (NEW) (k) (1) As used in this section:

4648 (A) "Participating electric supplier" means an electric supplier that is
4649 licensed by the department to provide electric service, pursuant to this
4650 subsection, to residential or small commercial customers.

4651 (B) "Residential customer" means a customer who is eligible for
4652 standard service and who takes electric distribution-related service
4653 from an electric distribution company pursuant to a residential tariff.

4654 (C) "Small commercial customer" means a customer who is eligible
4655 for standard service and who takes electric distribution-related service
4656 from an electric distribution company pursuant to a small commercial
4657 tariff.

4658 (D) "Qualifying electric offer" means an offer to provide full
4659 requirements commodity electric service and all other generation
4660 related service to a residential or small commercial customer at a fixed
4661 price per kilowatt hour for a term of not less than one year.

4662 (2) Electric distribution companies shall indicate to customers
4663 initiating new service or reinitiating service following a change of
4664 residence or business location that they have a choice of suppliers to
4665 provide electric generation service. Electric distribution companies
4666 shall direct customers expressing an interest in choosing a
4667 participating electric supplier to the department's web site or toll-free
4668 telephone number, to a participating electric supplier's web site or toll-
4669 free telephone number, or to other publicly available information on
4670 participating electric suppliers. The department shall not require any
4671 additional efforts on behalf of participating electric suppliers by

4672 electric distribution companies.

4673 (3) Not later than August 1, 2007, the department shall establish
4674 terms and conditions under which a participating electric supplier can
4675 be included in the referral program described in subdivision (2) of this
4676 subsection.

4677 (NEW) (l) Each electric distribution company may offer to bill
4678 customers on behalf of participating electric suppliers and to pay such
4679 suppliers in a timely manner the amounts due such suppliers from
4680 customers for generation services, less a percentage of such amounts
4681 that reflects uncollectible bills and overdue payments. Each
4682 participating electric supplier shall reimburse the electric distribution
4683 companies for such program in full and in a timely manner under
4684 terms and conditions approved by the department.

4685 (2) Participating electric suppliers may, at their own expense,
4686 provide bill inserts advertising their services to provide electric
4687 generation service to residential and small commercial customers to be
4688 included by an electric distribution company in their customer's
4689 monthly utility bill. Said inserts shall specify the rates that will pertain
4690 to customers for the first year of service. Said rates shall reflect the
4691 actual cost to provide such services, including the actual generation
4692 rate and all additional charges and shall not contain any introductory
4693 discounted price for a fixed number of months. Said inserts shall also
4694 list a toll-free telephone number and web site for contacting the
4695 supplier.

4696 (3) Electric distribution companies shall indicate to customers
4697 initiating new service, that they have a choice of suppliers to provide
4698 electric generation service by directing such customers to the
4699 department's web site or to other publicly available information. The
4700 department shall not require any additional efforts on behalf of
4701 participating electric suppliers by electric distribution companies.

4702 (NEW) (l) Each electric distribution company may implement a
4703 purchase of receivables program for participating electric suppliers

4704 with full and timely cost recovery for the electric distribution company
4705 under terms and conditions approved by the department.

4706 Sec. 110. (NEW) (*Effective July 1, 2007*) The Commissioner of
4707 Environmental Protection shall adopt regulations in accordance with
4708 the provisions of chapter 54 of the general statutes to establish a carbon
4709 cap and trade program that will limit and then reduce the total carbon
4710 emissions released by electric generating units or other units located in
4711 Connecticut in accordance with the Regional Greenhouse Gas Initiative
4712 Memorandum of Understanding, as may be amended. The
4713 Department of Environmental Protection, in consultation with the
4714 Department of Public Utility Control, shall auction all emissions
4715 allowances and invest the proceeds for electric ratepayer benefit in
4716 cost-effective programs such as energy efficiency. A contractor or
4717 trustee shall auction allowances under the oversight of the Department
4718 of Environmental Protection, in consultation with the Department of
4719 Public Utility Control. The Department of Environmental Protection
4720 may make provision for the payment of reasonable Regional
4721 Greenhouse Gas Initiative administrative costs and fund assessment
4722 and planning of measures to reduce emissions and mitigate the
4723 impacts of climate change and may initiate rulemaking to allow for
4724 recovery of cost directly attributable to the auction of allowances
4725 before December 31, 2011, for power plants included in the Regional
4726 Greenhouse Gas Initiative Program that had long-term contracts for
4727 electric output in effect before December 20, 2005, from allowance
4728 proceeds not to exceed ten per cent of the total projected allowance
4729 value. (1) A de minimus portion of the allowances may be set aside to
4730 support the voluntary renewable energy provisions of the Regional
4731 Greenhouse Gas Initiative model rule. (2) Any allowances or allowance
4732 value allocated to the electric distribution companies on behalf of
4733 consumers or investments in increased efficiency shall be incorporated
4734 into the planning and procurement process in section 55 of this act.

4735 Sec. 111. (NEW) (*Effective July 1, 2007*) Competitive electric suppliers
4736 and aggregators may provide time-of-use pricing options to all
4737 customer classes. These pricing options may include, but not be

4738 limited to, hourly or real-time pricing options.

4739 Sec. 112. (NEW) (*Effective from passage*) (a) Notwithstanding any
4740 provisions of the general statutes, the Office of Policy and
4741 Management, in consultation with the Department of Public Works,
4742 shall develop a strategic plan to improve the management of energy
4743 use in state facilities. Such plan shall include, but not be limited to, a
4744 detailed description of the manner in which initiatives that make
4745 investments in energy efficiency, demand and load response,
4746 distributed generation, renewable energy and combined heat and
4747 power will be implemented.

4748 (b) On or before January 1, 2008, the Office of Policy and
4749 Management shall file such strategic plan with the joint standing
4750 committees of the General Assembly having cognizance of matters
4751 relating to appropriations and energy. Beginning on January 1, 2009,
4752 and every six months thereafter, the Office of Policy and Management
4753 shall file implementation status reports with said joint standing
4754 committees.

4755 (c) To carry out the purposes of this section, the Office of Policy and
4756 Management may perform all acts necessary for the negotiation,
4757 execution and administration of any contract that is reasonably
4758 incidental to and furthers the needs of the state and the purposes of
4759 this section. The Office of Policy and Management may also retain the
4760 services of a third party entity possessing the requisite managerial,
4761 technical and financial capacity, to perform some or all of the duties
4762 necessary to implement the provisions of said plan.

4763 (d) Any costs incurred by the state in complying with the provisions
4764 of this section shall be paid from annual state appropriations.

4765 Sec. 113. (NEW) (*Effective July 1, 2007*) Not later than September 1,
4766 2008, the Department of Public Utility Control shall initiate a contested
4767 case proceeding to review the performance of specific metering
4768 technology in a meter test or system test conducted by an electric
4769 distribution company within its service territory voluntarily or

4770 pursuant to the department's decision in docket number 05-10-03. The
 4771 department shall analyze such performance for cost-effectiveness by
 4772 rate class and account in such analysis for any stranded investment in
 4773 existing metering technology and report its findings to the joint
 4774 standing committee of the General Assembly having cognizance of
 4775 matters relating to energy on or before January 1, 2009. For any rate
 4776 class for which the department finds the installation of specific
 4777 metering technology to be cost-effective and in the best interest of
 4778 ratepayers of such class, it may direct the electric distribution company
 4779 that is the subject of the department's docket 05-10-03 to install such
 4780 metering technology throughout its service territory, provided in no
 4781 case shall the department direct such company to complete such
 4782 installation before December 31, 2011.

4783 Sec. 114. (*Effective from passage*) (a) The sum of two million five
 4784 hundred thousand dollars is appropriated to the Office of Policy and
 4785 Management, from the General Fund, for the fiscal year ending June
 4786 30, 2007, for the purpose of implementing the clean-slate program
 4787 pursuant to section 95 of this act.

4788 (b) The sum of one million seven hundred fifty thousand dollars is
 4789 appropriated to the Office of Policy and Management, from the
 4790 General Fund, for the fiscal year ending June 30, 2007, for the purpose
 4791 of expanding Operation Fuel, Incorporated, pursuant to section 16a-
 4792 41h of the general statutes, as amended by this act.

4793 (c) The sum of seven hundred fifty thousand dollars is appropriated
 4794 to the Office of Policy and Management, from the General Fund, for
 4795 the fiscal year ending June 30, 2007, for Operation Fuel, Incorporated's
 4796 infrastructure, technology support and case management services
 4797 pursuant to section 16a-41h of the general statutes, as amended by this
 4798 act."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	New section

Sec. 2	<i>from passage</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 6
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>October 1, 2007</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>October 1, 2007</i>	16-32g
Sec. 8	<i>October 1, 2007</i>	16-19e(a)
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>January 1, 2008</i>	16a-38k
Sec. 12	<i>October 1, 2007</i>	16-243m(i)
Sec. 13	<i>October 1, 2007</i>	16a-48
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	16-245l(a)
Sec. 16	<i>July 1, 2007</i>	New section
Sec. 17	<i>from passage</i>	16-245n(c)
Sec. 18	<i>October 1, 2007</i>	4a-67c
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>July 1, 2007</i>	16-243r
Sec. 21	<i>January 1, 2008</i>	New section
Sec. 22	<i>January 1, 2008</i>	12-412(110)
Sec. 23	<i>from passage</i>	New section
Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>from passage</i>	New section
Sec. 26	<i>from passage</i>	New section
Sec. 27	<i>from passage</i>	New section
Sec. 28	<i>from passage</i>	New section
Sec. 29	<i>from passage</i>	New section
Sec. 30	<i>from passage</i>	New section
Sec. 31	<i>from passage</i>	New section
Sec. 32	<i>from passage</i>	New section
Sec. 33	<i>from passage</i>	New section
Sec. 34	<i>from passage</i>	New section
Sec. 35	<i>from passage</i>	New section
Sec. 36	<i>from passage</i>	New section
Sec. 37	<i>from passage</i>	New section
Sec. 38	<i>from passage</i>	New section
Sec. 39	<i>October 1, 2007</i>	16-243a(b)
Sec. 40	<i>October 1, 2007</i>	16-243a

Sec. 41	<i>October 1, 2007</i>	16-245n(a)
Sec. 42	<i>October 1, 2007</i>	16-243h
Sec. 43	<i>October 1, 2007</i>	16-245a
Sec. 44	<i>July 1, 2007</i>	New section
Sec. 45	<i>from passage</i>	New section
Sec. 46	<i>October 1, 2007</i>	16-243q
Sec. 47	<i>from passage</i>	16-1(a)(44)
Sec. 48	<i>October 1, 2007</i>	22a-6(a)
Sec. 49	<i>October 1, 2007</i>	16-243i
Sec. 50	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(57)
Sec. 51	<i>October 1, 2007, and applicable to assessment years commencing on or after October 1, 2007</i>	12-81(63)
Sec. 52	<i>from passage</i>	20-340
Sec. 53	<i>from passage</i>	16-244c
Sec. 54	<i>from passage</i>	New section
Sec. 55	<i>from passage</i>	New section
Sec. 56	<i>from passage</i>	New section
Sec. 57	<i>from passage</i>	16a-3
Sec. 58	<i>from passage</i>	New section
Sec. 59	<i>July 1, 2007</i>	New section
Sec. 60	<i>July 1, 2007</i>	New section
Sec. 61	<i>July 1, 2007</i>	16a-7c
Sec. 62	<i>July 1, 2007</i>	16a-7c(b)
Sec. 63	<i>July 1, 2007</i>	16-50l(a)(2)
Sec. 64	<i>from passage</i>	New section
Sec. 65	<i>July 1, 2007</i>	New section
Sec. 66	<i>from passage</i>	13a-126
Sec. 67	<i>July 1, 2007</i>	New section
Sec. 68	<i>October 1, 2007</i>	16-2(e)
Sec. 69	<i>July 1, 2007</i>	New section
Sec. 70	<i>from passage</i>	New section
Sec. 71	<i>October 1, 2007</i>	New section
Sec. 72	<i>July 1, 2007</i>	New section
Sec. 73	<i>July 1, 2007</i>	New section
Sec. 74	<i>October 1, 2007</i>	16-50k(a)
Sec. 75	<i>July 1, 2007</i>	16-244e(a)(6)

Sec. 76	<i>July 1, 2007</i>	16-19ss
Sec. 77	<i>July 1, 2007</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 1
Sec. 78	<i>July 1, 2007</i>	16a-41a
Sec. 79	<i>October 1, 2007</i>	16-262c
Sec. 80	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007</i>	12-412
Sec. 81	<i>June 1, 2007</i>	12-412k
Sec. 82	<i>from passage</i>	New section
Sec. 83	<i>from passage</i>	16-245a
Sec. 84	<i>July 1, 2007</i>	12-635
Sec. 85	<i>July 1, 2007</i>	New section
Sec. 86	<i>October 1, 2007</i>	10a-180
Sec. 87	<i>from passage</i>	PA 05-2 of the October 25 Sp. Sess., Sec. 5
Sec. 88	<i>from passage</i>	16a-2
Sec. 89	<i>from passage</i>	16a-7b
Sec. 90	<i>October 1, 2007</i>	29-256a
Sec. 91	<i>from passage</i>	16-245e(a)
Sec. 92	<i>from passage</i>	16-245e
Sec. 93	<i>from passage</i>	16a-40b(b)
Sec. 94	<i>July 1, 2007</i>	New section
Sec. 95	<i>from passage</i>	New section
Sec. 96	<i>from passage</i>	16a-41h
Sec. 97	<i>from passage</i>	4a-67d
Sec. 98	<i>from passage</i>	New section
Sec. 99	<i>from passage</i>	New section
Sec. 100	<i>July 1, 2007</i>	New section
Sec. 101	<i>October 1, 2007</i>	New section
Sec. 102	<i>from passage</i>	16-243n(a)
Sec. 103	<i>from passage</i>	New section
Sec. 104	<i>July 1, 2007</i>	New section
Sec. 105	<i>from passage</i>	New section
Sec. 106	<i>from passage</i>	New section
Sec. 107	<i>July 1, 2007</i>	New section
Sec. 108	<i>from passage</i>	New section
Sec. 109	<i>January 1, 2008</i>	16-244c
Sec. 110	<i>July 1, 2007</i>	New section
Sec. 111	<i>July 1, 2007</i>	New section

Sec. 112	<i>from passage</i>	New section
Sec. 113	<i>July 1, 2007</i>	New section
Sec. 114	<i>from passage</i>	New section